

JPRS 74175

13 September 1979

West Europe Report

No. 1468



FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Indexes to this report (by keyword, author, personal names, title and series) are available from Bell & Howell, Old Mansfield Road, Wooster, Ohio 44691.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

REPORT DOCUMENTATION PAGE		1. REPORT NO. JPRS 74175	2.	3. Recipient's Accession No.
4. Title and Subtitle WEST EUROPE REPORT, No. 1468			5. Report Date 13 September 1979	
7. Author(s)			6.	
9. Performing Organization Name and Address Joint Publications Research Service 1000 North Glebe Road Arlington, Virginia 22201			8. Performing Organization Rept. No.	
12. Sponsoring Organization Name and Address As above			10. Project/Task/Work Unit No.	
			11. Contract(C) or Grant(G) No. (C) (G)	
15. Supplementary Notes			13. Type of Report & Period Covered	
			14.	
16. Abstract (Limit: 200 words) This serial report contains political/economic information on West European energy, finance and trade policy matters as well as developments and trends in the doctrine, programs and problems of the major communist parties, including their relations with communist parties outside the West European area. The report also contains information on Theater Nuclear Forces and elections to the European Parliament.				
17. Document Analysis a. Descriptors				
Political Science	<input checked="" type="checkbox"/> International Affairs	<input type="checkbox"/> Iceland		
Sociology	<input type="checkbox"/> Austria	<input checked="" type="checkbox"/> Italy		
Propaganda	<input checked="" type="checkbox"/> Belgium	<input type="checkbox"/> Luxembourg		
Economics	<input type="checkbox"/> Canada	<input type="checkbox"/> Netherlands		
Energy	<input type="checkbox"/> Cyprus	<input checked="" type="checkbox"/> Norway		
Industry	<input type="checkbox"/> Denmark	<input checked="" type="checkbox"/> Portugal		
Trade	<input checked="" type="checkbox"/> Federal Republic of	<input checked="" type="checkbox"/> Spain		
Finance	<input type="checkbox"/> Germany	<input checked="" type="checkbox"/> Sweden		
Theater Nuclear Forces	<input checked="" type="checkbox"/> Finland	<input type="checkbox"/> Switzerland		
	<input checked="" type="checkbox"/> France	<input type="checkbox"/> Turkey		
	<input checked="" type="checkbox"/> Greece	<input type="checkbox"/> United Kingdom		
b. Identifiers/Open-Ended Terms				
c. COSATI Field/Group 5C, 5D, 10				
18. Availability Statement Unlimited Availability Sold by NTIS Springfield, Virginia 22161		19. Security Class (This Report) UNCLASSIFIED		21. No. of Pages 102
		20. Security Class (This Page) UNCLASSIFIED		22. Price

13 September 1979

WEST EUROPE REPORT

No. 1468

CONTENTS

PAGE

THEATER NUCLEAR FORCES

ITALY

- Reaction to U.S. Nuclear Deployment Decision
(Various sources, various dates)..... 1

PCI Pecchioli's Statement
Harsh Blow to Detente, by Franco Ivaldo
Learning To Say 'No', by Augusto Livi

COUNTRY SECTION

INTERNATIONAL AFFAIRS

- FRG's Leisler-Kiep on Turkey Mission, NATO, SALT
(Walther Leisler-Keip Interview; DIE WELT,
28 Aug 79)..... 6
- Norway Announces Deadline on Capelin Fishing
(Roy Helge Simonsen; ARBEIDERBLADET, 15 Aug 79)..... 9
- Equal Fishing Rights May Be Key to Jan Mayen Settlement
(Terje Svabo; AFTENPOSTEN, 15 Aug 79)..... 11
- Compromise in Sight on Jan Mayen Issue
(Editorial; AFTENPOSTEN, 16 Aug 79)..... 14
- Iceland Leftists Propose Moving Keflavik Base to Jan Mayen
(AFTENPOSTEN, 12 Jul 79)..... 16

BELGIUM

- Martens Can Count on Socialist Support
(Francis Monheim; SPECIAL, 19 Jul 79)..... 17

CONTENTS (Continued)

Page

FEDERAL REPUBLIC OF GERMANY

Strauss Interviewed on FRG-Soviet Relations (Franz Josef Strauss Interview; DIE WELT, 7 Aug 79).....	21
--	----

FINLAND

Right-of-Center Mini-Parties May Be Near End of Road (Jaakko Korjus; UUSI SUOMI, 2 Aug 79).....	24
Unity Party Elects New Chairman (UUSI SUOMI, 6 Aug 79).....	26
SKP Power Struggle Shifted Behind Scenes (Jukka Vayrynen; DEMARI, 2 Aug 79).....	28
Majority Faction Dominates in SKP Press, Organizations (DEMARI, 2 Aug 79).....	31
Demari Analysis Reflects Wishful Thinking (Editorial; TIEDONANTAJA, 3 Aug 79).....	33

FRANCE

PCF's Marchais Seen Out To Exploit PCF's Divisions (Edmond Bergeaud; LE FIGARO, 11-12 Aug 79).....	35
Elleinstein 'In Accord' With Current PCF Orientation (LE MONDE, 19-20 Aug 79).....	37
PCF Politburo Sees 'Nothing More Important Than Unity' (LE MONDE, 19-20 Aug 79).....	39
PCF's Marchais Sees Government Lacking 'Consensus' (LE MONDE, 4 Aug 79).....	40
Briefs Foreign Affairs Appointment	43

GREECE

Statistics on Trade With Israel Reported (BUSINESS & FINANCE, 4 Aug 79).....	44
---	----

CONTENTS (Continued)

Page

Trade Deficit Figures Released (BUSINESS & FINANCE, 18 Aug 79).....	50
New Bill Favoring Shipowners Ratified (BUSINESS & FINANCE, 4 Aug 79).....	52
Solar Energy for Agriculture (BUSINESS & FINANCE, 11 Aug 79).....	54
Olympic Airways Ten Year Plan Reported (BUSINESS & FINANCE, 4 Aug 79).....	55
Briefs	
Military Service for Fathers	57
Prinos Oil Drilling Loan	57
Bombing at Bus Offices	57

NORWAY

Socialist Left Faces Debate on Party's Future Course (Ottar Jarlsrud; AFTENPOSTEN, 4 Aug 79).....	58
Key Issues in Local Elections Outlined (Eivind G. Karlsen; AFTENPOSTEN, 11 Aug 79).....	61
Norwegian Position in Jan Mayen Controversy Defended (Editorial; ARBEIDERBLADET, 23 Jul 79).....	64
State Ownership of Jan Mayen Dates Only From 1952 (AFTENPOSTEN, 3 Aug 79).....	66
Soviet 'Berry-Pickers' Favor Sites Near Military Maneuvers (KLASSEKAMPEN, 25 Jul 79).....	68

PORTUGAL

Dispute Still Mar Luso-Angolan Relations (EX'RESSO, 21 Jul 79).....	70
--	----

SPAIN

Oil Refiners in Good Shape, Hard Times To Come (ACTUALIDAD ECONOMICA, 30 Jun-6 Jul 79).....	76
--	----

CONTENTS (Continued)

Page

Army Acquires New Helicopters for Mobile Forces (Alfonso de Carlos; BLANCO Y NEGRO, 11-17 Jul 79)..	78
--	----

SWEDEN

Falldin Reaching Out for Prime Ministership (Sophie Petzell; SVENSKA DAGBLADET, 6 Aug 79).....	81
Opinion Poll Results Do Not Bode Well for Palme (Editorial; SVENSKA DAGBLADET, 8 Aug 79).....	84
Palme May Step Down If Social Democrats Lose Election (FRANKFURTER ALLGEMEINE, 14 Aug 79).....	87
Social Democratic Election Platform Discussed (Werner Adam; FRANKFURTER ALLGEMEINE, 17 Aug 79)...	89
Liberals, Social Democrats Clash Over High Rent Levels (Ann-Marie Asheden; SVENSKA DAGBLADET, 10 Aug 79)..	92
LO Chief Places Sap in Awkward Position (Editorial; SVENSKA DAGBLADET, 9 Aug 79).....	95
Kockums Likely To Get Large Indian Submarine Order (SVENSKA DAGBLADET, 8 Aug 79).....	97

REACTION TO U.S. NUCLEAR DEPLOYMENT DECISION

PCI Pecchioli's Statement

Rome L'UNITA in Italian 9 Aug 79 pp 1, 12

[Text] America has dangerous plans for five countries, one of them Italy. Europe to get 700 more U.S. nuclear warheads. Pershing and cruise missiles involved. PCI raises questions.

Comrade Ugo Pecchioli, of the PCI directorate, today issued the following statement:

"If these reports are indeed confirmed, the request the U.S. government has just made is extremely serious. The consequences of deployment of several hundred Pershing and cruise missiles carrying nuclear warheads would affect not only the nations to which the request was reportedly addressed (obviously including Italy), but the entire state of international relations and the precarious East-West balance of power.

"Such a nuclear buildup would increase Western Europe's defense capability not one iota. On the contrary, it would amount to nothing more than yet another measure dictated by American strategic interests which would lay all of Western Europe open to new and still graver peril. It is altogether possible that the measure was designed by the more extremist Americans (whose top spokesman is former Secretary of State Henry Kissinger) to water down and even cancel out the positive effects of the SALT II treaty which, be it noted, the U.S. Senate has yet to ratify.

"Precisely because the American request would have widespread international consequences, it is imperative that the Italian government too express its stern disapproval and do what it can to force the American government to back down."

Comrade Pecchioli, along with senate comrades Franco Calamandrei, Corallo, Procacci, Pieralli, Valori, Vecchietti, and Tolomelli, yesterday sent an urgent query to the defense and foreign affairs ministries, asking:

"With reference to the announcement officially released by the U.S. Defense Department to the effect that exploratory contacts are already under way in connection with deployment on Italian territory and on that of other European NATO powers of 600 Pershing and cruise missiles armed with nuclear warheads, assurances are sought that the government's attitude in this matter will be guided primarily by the principle that Italy's security, defense, and indeed its independence, find their fundamental guarantee in the continued maintenance in Europe of a balance of forces between the blocs, and in the prospect of a mutual balanced reduction of forces here. The plan for massive deployment here of additional nuclear missiles by NATO powers could entail a dangerous disturbance of that balance and of that prospect.

"Further, in view of the unwarranted linkage American sources report between the aforesaid issue and the uncertainties clouding U.S. ratification of the SALT II agreements, the undersigned ask whether the government does not feel that it must reassert and emphasize Italy's interest in seeing swift ratification and implementation of those agreements on both sides, without any conditions other than those stipulated in the agreements themselves."

Harsh Blow to Detente

Rome IL MESSAGGERO in Italian 10 Aug 79 p 18

[Article by Franco Ivaldo]

[Text] Still another blow has been struck at East-West detente. This is not the first one, nor can we assume, the way things are going now, that it will be the last. The French proposal put forward by Giscard d'Estaing during his official visit to Moscow suggested calling a disarmament conference, and the Warsaw Pact countries and the Kremlin itself responded with a positive signal. Not only was that signal not picked up: it was rudely spurned when the NATO ministers voted in Brussels to increase their defense spending by \$4.5 billion between now and 1985.

So here we all are again. Even as the U.S. Congress picks its way line by line through the SALT II treaty on strategic arms limitation, we get news that the American government is pondering the deployment of 600 nuclear warheads in five NATO countries (Belgium, The Netherlands, West Germany, Great Britain, and Italy), mounted in Pershing SSBM and cruise missiles.

Just the other day, the idea of an East-West disarmament conference surfaced again in Paris, in the course of summit-level Franco-

Romanian talks. What are we to think of this American stop-and-go" policy of taking a few steps forward and as many back, of conciliatory noises alternating with tough warnings directed at the Eastern countries? Back of moves so hasty and at the same time obviously contradictory lie several realities. Let's have a look at them.

In the first place, the American president, Jimmy Carter, feels even more threatened in his position and prestige right now, in view of his party's imminent choice of a candidate for the 1980 presidential race. So we have a case of jitters on the part of an insecure incumbent (witness his widely publicized slip of the tongue a propos of Ted Kennedy). Carter sorely needs a credibility coup. The man who lavished smiles and commitments on Leonid Brezhnev in Vienna, where he signed not just a scrap of paper, but a treaty (SALT II) to which Moscow attaches paramount importance, certainly cannot afford to be disavowed by Congress or stand idly by while the Senate refuses to ratify the strategic arms limitation treaty. Hence, as he sees it, there is nothing for it but to coo for the doves and stoop with the hawks.

To the militarists, the hardliners, and the hawks who sit cheek by jowl with the doves in Congress, Carter proffers, in exchange for ratification of SALT II, a nuclear buildup in the "European theater," thrusting upon its dismayed governments 600 unasked-for nuclear warheads. There you have news that may well prove welcome to Strauss and company's Federal Republic, but will certainly not prove so to the Dutch, Belgian, and Italian governments, still nursing the scars of their embarrassment over the controversial neutron bomb flap, when the "N-bomb" was earmarked for the arsenals of NATO bases in Europe. Well, the "N-bomb" turned out to be a dud (although it is still being built in the U.S.: Washington has most assuredly not given up the neutron bomb program) precisely because the Europeans would not accept the notion of deploying so dreadful a weapon on their soil.

Another factor which prompted the U.S. government to send up its trial balloon over the 600 nuclear warheads for Europe is the fact that the scheduled SALT III negotiations, the third phase of talks on strategic weapons limitations, will concentrate on Europe, and the European governments may be invited to attend those talks in the capacity of observers. Now the U.S. plan will have to pass NATO scrutiny even before the slated year-end meeting of NATO defense ministers and of the Atlantic Council foreign ministers. The diplomatic offensive is only in its opening stages.

Carter's usual emissaries -- his Pentagon advisers, if indeed not Secretary Harold Brown in person -- will be fanning out on a mission of "persuasion" to NATO and to the allied capitals, to sound out those partners that turned down the neutron bomb and get them

to say "yes" to the Pershings and the cruise missiles. Angry reactions from the Soviets testify to the danger posed by the Carter game-plan to East-West detente.

In Moscow, they glimpse the spectre of Kissinger's counsels behind the White House plan. The Kremlin, however, had already let it be known immediately after the Vienna signing ceremony that if SALT II were not to be ratified by Congress, it would have to reconsider its policy of detente with the Western powers. The plan to deploy 600 nuclear warheads in Europe may perhaps speed ratification of SALT II, but it will certainly not help to clear up an already ominously brooding international horizon.

Learning To Say 'No'

Rome PAESE SERA in Italian 11 Aug 79 p 1

[Article by Augusto Ivi: "Nuclear Rearmament: Fear in Europe"]

[Text] The United States plan to deploy more missiles with nuclear warheads on launch pads in five European countries (including Italy) is more than a midsummer scandal exploding when the citizens' emotional reactions are slowed in surrender to the sultry rhythms of August, and when yet another election looms in the offing. That plan is also a harbinger of change in our human condition. The segment of Europe bounded by the NATO military alliance would shift, upon deployment of the new warheads, to the far side of the front line, where it used to make an American moat, and where it would become part of a no-man's-land -- a sitting duck for strikes launched in attack, in reprisal, or even by mistake, by friend or foe alike. The fact is that the Pershings, and the cruise missiles with their longer ranges (up to 3,000 kilometers) and their flattened trajectories, constitute the most direct and massive imaginable threat to the vital centers of Eastern Europe and the USSR. In case of war between Moscow and Washington, these would be the first target the Soviets would shoot at. And should there be a movement of troops from the Warsaw Pact countries, they would be the very first targets for missiles from distant America.

However, even though we may be talking, so to speak, of the caliber of weapons, there is always a question of policy. In this specific case, the political picture has two sides to it. Washington's plan, decision -- call it what you will -- has first of all an American dimension, meaning that it stems from decisions taken by the Carter administration and by the powers that stand behind it. Secondly, it has a planetary dimension, insofar as it impinges on relations between the two superpowers and between those two and the other nations of the world.

The Pentagon has been making euphemistic noises about modernizing its missile arsenal in Europe. But it is all too easy to tie

that move into a global race by current American policymakers to recoup U.S. losses, both from the 4-year-old defeat in Vietnam and from its relative setback in the Middle East, where more than one nation flatly rules out any compromise with Israel, and where, most important of all, the battle over oil production and crude prices is still raging. Harold Brown is the man who backs the plan centered around nuclear missiles, and it was he who said only recently that the United States would not rule out military intervention in the Persian Gulf to guarantee its oil supplies.

To put it baldly, Western Europe finds itself a very minor pawn caught up in this strategy. Well then: what would happen if the Carter government -- or somebody acting for it -- should try one fine day to take a death-defying leap over its intrinsic weakness in the form of a rearmament mobilization -- a "projection of power," to use Brzezinski's phrase?

Then there is another position of inferiority to be considered, and this one concerns not only Europe, but a goodly share of the rest of the world as well.

We all know that peace depends to a great degree on the balance of forces between the two superpowers, the United States and the USSR. We also know, though, that that equilibrium is a necessary -- albeit neither a sufficient nor an optimal -- condition for a stable peace. Little by little, as that balance, thanks to the loopholes in SALT II (a treaty which is nevertheless a great step forward), inches up to ever higher levels, the autonomy of the nations not party to that understanding is diminished. That is why the missile deployment plan, by triggering the arms race all over again, serves to underscore the unequal and subordinate status of the other nations within the context of the binary superpower system. And this is why, along with a balance of forces, we need the firm political will of all who would change the political order of the world. We need to learn to say "No!"

6182

CS0: 3104

FRG'S LEISLER-KIEP ON TURKEY MISSION, NATO, SALT

Born DIE WELT in German 28 Aug 79 p 2 DW

[Interview with Walther Leisler-Keip, finance minister of Lower Saxony and Federal Treasurer of the CDU, by Friedhelm Kemna, date and place not given]

[Text] WELT: Mr Minister, you tried successfully to aid NATO member Turkey on a partnership basis. How do you assess the domestic policy and above all the economic situation of Turkey and its effects on the foreign and security policy?

Kiep: The emergency aid for Turkey has got going, as you say, and in that respect my Turkey mission has been concluded satisfactorily. Initial results are Turkey's positive balance of payments. But this does not mean that the internal problems of the country are solved. In the first place I would like to mention the security situation in the country; second, the polarization between the opposition and the government party, a problem that the Turkish parliamentary democracy can hardly tackle; and third, the question of how the alliance is ready and able now that Turkey has started recovering economically to bring also the NATO partner Turkey through massive support up to a military level enabling Turkey to play its role in the alliance and, fourth, the still unsolved conflict situation between Turkey and Greece about which we are extremely concerned in the context of the unity of the alliance.

WELT: Is the "ailing man on the Bosphorus" able to recover at all?

Kiep: I believe the economic and domestic policy crisis can be overcome, and our efforts for achieving this can be successful only if they are help for self-help, which means if Turkey itself is able and willing to mobilize and release the forces existing there. This includes in the economic field above all the dismantling of a bureaucracy which holds up the development, the release of forces for new investments and innovations as well as export activities of the Turkish economy and the creation of incentives for foreign investors. These would be possible today in large numbers, if there were not so many regulations and bureaucratic obstacles. The process certainly could be facilitated and maybe even accelerated, if the great parties of Turkey could agree on a sort of truce in the essential national issues.

WELT: Turkey will also play a part in the picture that NATO will show by the end of this year when important decisions will have to be taken on the modernization of the Theatre Nuclear Forces. In your view will NATO take a correct decision and take the East-West security situation into consideration?

Kiep: One can perhaps state optimistically that the realization of the necessity of restoring the lost balance of strength has intensified in Europe and also in the United States in the past months. The basic misunderstanding of detente policy being a policy which allows the slackening of one's own efforts because of the existing good will of the other side must indeed give way to the very matter-of-fact a realistic knowledge that it is only on the basis of balance that there is hope of safeguarding peace in the future and of pursuing a policy of detente and disarmament more efficiently. So this matter will be discussed in the alliance by the end of the year 1979 together with the question of how safe peace in Europe will be in the years to come.

WELT: In this decision the FRG will play an important or possibly even a key role as a result of the preconditions Bonn has set for the stationing as well as the manning of new mediumrange weapons. Is this a right position of the Federal government and what effects will it have on our partners?

Kiep: We have meanwhile reached agreement with our alliance partners that the FRG is not to play a singular role regarding the offsetting of this imbalance in the field of medium-range weapons. I assume--as has also been said by the Americans and the British but also by some other allied side--that the alliance will take a joint decision and that consequently the new medium-range weapons will be distributed among the various alliance partners.

WELT: Mr Minister, with a view to the security policy development and at the moment perhaps also with a view to the effects of the American presidency, how do you judge the relations between America and Europe, especially between Germany and the United States?

Kiep: To me the relations between Germany and the United States and Europe and the United States just are a vital prerequisite for the preservation of a balance between East and West and for the preservation of the free order in Western Europe. We do not have any written declaration guaranteeing forever the absolutely necessary presence of U.S. troops in Europe. The continued presence of the troops and the continuous U.S. commitment lastly also depend on a clear European and German policy which proves time and again that the United States, Germany and Europe have the same interests. To restore this equality of interests over and over again, is becoming more difficult, for the realization which 30 years ago lead to the founding of the North Atlantic Alliance meanwhile have faded.

The generation which translated them into politics has stepped down, new Atlanticians do not grow on trees in America, and therefore we must do much more than we did in the past to restore this equality of interests over and over again and to translate it into real alliance policy. This also means a greater European preparedness to share the responsibility with the United States.

WELT: In the context of certain developments within the alliance which possibly are disappointing for Europe, and the lacking leadership role of the United States, do you see the danger of considerations aimed at our own European power?

Kiep: This danger cannot be denied. There is what I would term the phantom of the "Third Way," namely, an attempt to find for Europe a way between the two superpowers, and in so doing renounce the U.S. presence in Europe, the advocates of this "Third Way" hold the view that the United States is no longer able anyway to play a leadership role. I think that this way would be fatal, because the power vacuum that will emerge here could only be filled unilaterally by the East. Therefore this "Third Way" cannot be embarked upon by us but must in my view be prevented in Europe with all political means at our disposal.

WELT: How do you assess the recent campaign of the Soviet Union aimed at individual alliance partners and especially the FRG?

Kiep: This is no new phenomenon. We have experienced it in various phases of East-West relations, and I think we must counter this attempt with great tranquility and firmness. I stress the vital importance of disarmament, arms control and arms limitation which constitute the essential contents of East-West relations. But I warn of the illusion that a blackening of the efforts of the West could be compensated by the Soviet Union today or tomorrow through voluntary arms limitations as a sign of its good will.

WELT: Presently the possibility is being talked about of a slightly modified French attitude toward the question of its return into the military organization of the alliance. In which role do you see France in a post-SALT-2 phase, possibly in a phase of negotiations between East and West on SALT-3?

Kiep: In the post-SALT-2 phase--if the ratification takes place--France, naturally, will also be affected very considerably in the followup negotiations. I am also hopeful that in this phase a rapprochement could come about, for the question of coming to an understanding on the Western weapons stationed in Europe can hardly be solved without including the French systems which thus far have been handled on a national basis. It would be good if this rapprochement would be additionally encouraged by a SALT-3 phase.

I have noted time and again that part of the present presidential majority is largely prepared to reconsider these positions. After all the necessity of modernizing both the British and the French nuclear armed forces--I am referring to the submarines as well as to the aircraft and the arms systems pertaining to them--the necessity that both countries have to face in some way could also lead to the possibility of a closer cooperation with the United States and NATO.

CSO: 3103

NORWAY ANNOUNCES DEADLINE ON CAPELIN FISHING

Oslo ARBEIDERBLADET in Norwegian 15 Aug 79 p 7

[Commentary by Roy Helge Simonsen]

[Text] The Norwegian government notified the Icelandic government today that capelin fishing off the coast of Jan Mayen will stop Saturday 18 August at 1200 hours. Fishing vessels that are on the way to the fishing grounds, however, may fish until about 20 August, i.e. the following Monday, ARBEIDERBLADET was informed by Torstein Sandø, press spokesman of the Ministry of Foreign Affairs.

The background to the Norwegian decision to stop the fishing near Jan Mayen is the Icelandic initiative in the Jan Mayen affair yesterday afternoon. According to Knut Frydenlund, minister of foreign affairs, the note received by the government contains a clear recognition of Norwegian sovereignty in the vicinity of the island. The Icelandic government's resolution, which came after hard negotiations within the Icelandic government, says that the Icelanders wish to resume negotiations concerning Jan Mayen immediately.

The note from Iceland is therefore a recognition of Norwegian jurisdiction for the creation of a zone extending 200 miles around Jan Mayen. It was thus an opening, naturally, for the Norwegian government to resume negotiations with the Icelanders about Jan Mayen. The actual shelf problem, of who shall have the right to the resources on the sea bottom (oil and gas), is not touched upon in the Icelandic note.

At a press conference last evening Knut Frydenlund, the minister of foreign affairs, said that the negotiations with Iceland can hardly get under way this week. For one thing, Benedikt Gröndahl, the Icelandic foreign minister, is leaving today for an official visit to Copenhagen. The visit will last 3 days, and so the week will be over.

The Norwegian government acted very quickly after the Icelandic initiative of yesterday afternoon. Knut Frydenlund, minister of foreign affairs, and Eivind Bolle, minister of fisheries, were both at a meeting with the

national board of the Norwegian Fishermen's Association yesterday, and did not get back to Oslo until 1800 hours. Until then the minister of foreign affairs had not seen the Icelandic note. In the course of only a few hours, however, the Norwegian government was able to respond to the Icelandic initiative. But it was not until late last evening that it became known that the Norwegian government had decided to stop capelin fishing near Jan Mayen completely as of next Saturday.

At the time of a press conference at 1900 hours last evening that decision had not been reached; both the minister of fisheries and the minister of foreign affairs said there that there must be a reduction in the fishing for capelin near Jan Mayen. Eivind Bolle said at the same press conference that the Norwegian Fishermen's Association understood the Norwegian government's position on the Jan Mayen question, viewed in the foreign policy context.

Up to now Norwegian fishermen near Jan Mayen have taken about 70,000 tons of capelin, and it is estimated that they would have taken about 90,000 tons by Christmas if they had been allowed to do so.

According to the NTB [Norwegian News Agency] the Icelandic decision yesterday amounts to approving a Norwegian zone near Jan Mayen on the condition that Iceland will get equal fishing rights near the island; i.e., a 50-50 division of the fish resources. Minister Frydenlund was unable to confirm yesterday that the note from Iceland contains such a clause.

In the course of the day a new research report will be laid on the desk of Eivind Bolle, minister of fisheries. It gives a scientific analysis of the fish resources, i.e. capelin, near Jan Mayen. ARBEIDERBLADET has been informed that the report may possibly give an entirely different picture of those resources from the one that the fishermen on the spot report. In other words, there may be talk of restricting fishing for capelin near Jan Mayen purely to conserve the resources, and not merely because of a wish expressed by the Icelandic government.

8815

CSO: 3108

EQUAL FISHING RIGHTS MAY BE KEY TO JAN MAYEN SETTLEMENT

Oslo AFTENPOSTEN in Norwegian 15 Aug 79 p 20

[Article by Terje Svabø]

[Text] Reykjavik, 14 Aug — Iceland's conditions for approving a Norwegian 200-mile zone around Jan Mayen are that the two countries have equal rights in exploitation of the fish resources and that agreement be reached on division of the resources on the ocean floor. The step taken by the Icelandic government will lead to negotiations' being resumed with Norway, but the disagreement among the three government coalition parties is still so great that Iceland seems to have little to offer in the negotiations. Kjartan Johannsson, minister of fisheries, tells AFTENPOSTEN that he warned [Norwegian] Minister of Foreign Affairs Knut Frydenlund today against Norway's continuing fishing for capelin.

According to AFTENPOSTEN's information, the disagreement among the three government coalition parties was still great when the government met this morning to make a decision to resume the negotiations with Norway. A meeting of the fishing limit committee, on which the conservative Independence Party is also represented, did not bring about the necessary clarification. It was not until Prime Minister Olafur Johannesson modified his position that the three parties were able to come to an agreement.

According to the prime minister's press spokesman, the Icelandic government now wants the negotiations with Norway to get under way as soon as possible.

People's Union Satisfied

Svavar Gestsson, minister of commerce and member of the communist People's Union, says that his party is satisfied with the government's resolution. He points out that the most important feature of the resolution is that Iceland will not recognize a Norwegian 200-mile zone around Jan Mayen unless the two countries come to an agreement on the exploitation of the resources.

Iceland's price for recognizing the zone is that Iceland will have access to fishing grounds within the zone just as much as Norway, and that the two countries also reach agreement on the exploitation of the resources of the ocean floor, Gestsson points out.

[Question] Does that mean that Iceland still wants joint jurisdiction, as the Independence Party and the People's Alliance proposed earlier?

[Answer] Joint jurisdiction has been discussed here in Iceland. And in the government's resolution it is stated that consideration will be given to the ideas and proposals that have been advanced, in the fishing limit committee and elsewhere.

[Question] Would you characterize the government's resolution as a compromise?

[Answer] One might say so, but the resolution is a concession to the position of the People's Alliance. I want to emphasize that the government has not simply agreed to recognize a Norwegian zone. We in the People's Alliance are of the opinion that Norway's right to create such a zone is highly doubtful.

Joint Jurisdiction?

Kjartan Johannsson, minister of fisheries, informs us that today he rang up Knut Frydenlund, minister of foreign affairs, and warned him against the consequences of Norway's taking more than 90,000 tons of capelin. Johannsson emphasized to Frydenlund that there would be serious consequences for the negotiations if the fishing were not stopped.

[Question] Does it not seem to you that the conditions for recognizing the Norwegian 200-mile zone are hard?

[Answer] It depends on which side you are looking at it from. Anyway, I do not want to comment on the subjects of negotiation now, but would like to point out that Iceland has considerable rights in the area, which we mean to look after.

[Question] Do the Icelandic conditions mean that you want a joint jurisdiction?

[Answer] I do not care to comment on that.

[Question] Was it hard to reach agreement in the government?

[Answer] It took two hours.

Independence Party in Agreement

An agreement with Norway on Jan Mayen must be approved by the Althing, and it does not meet until 10 October. Thus far there has been no movement to call the Althing together earlier to approve the agreement. Besides the

three government coalition parties, the Social Democrats, the Progressive Party, and the People's Union, only the Independence Party is represented in the Althing. That party is the biggest, with 20 of the 60 representatives.

Geir Hallgrímsson, chairman of the Independence Party, stated to AFTEN-POSTEN that he can only say what has been published by the government, namely that the negotiations with Norway will be resumed and that the Norwegian capelin fishing must be stopped at 90,000 tons. Hallgrímsson says that the Independence Party can agree to that without reservations.

He adds that Iceland has the most to gain from the two countries' coming to an agreement, especially with regard to relations with third countries.

Iceland will now set up a negotiating committee under the leadership of Benedikt Gröndal, the foreign minister. The committee will also include representatives of the three government parties and a member from the Independence Party.

8815

CSO: 3108

COMPROMISE IN SIGHT ON JAN MAYEN ISSUE

Oslo AFTENPOSTEN in Norwegian 16 Aug 79 p 2

[Editorial: "Zone Around Jan Mayen"]

[Text] The conflict between Norway and Iceland over Jan Mayen is now on the way to where it always belonged--the negotiating table. It is only there that two neighboring peoples that are bound together by such ancient bonds of friendship as the Icelanders and Norwegians are can solve their disputes and hammer out the necessary compromises. And we have strong faith that they will succeed in doing so in the course of the coming weeks. Now that Iceland has really given up its unrealistic demand for a *joint* zone around the *Norwegian* island of Jan Mayen in the Arctic Ocean, and as a conciliatory gesture Norway has promised to stop the capelin fishing, the foundation has been laid for a reasonable and practical solution of the problems.

In the tug of war with the Icelanders, Foreign Minister Knut Frydenlund--thanks to skillful diplomacy and nature's whims--has been able to ally himself with the large schools of capelin that have now made their way into the area of the sea around Jan Mayen. The fresh capelin has gladdened Norwegian fishermen and convinced the Icelanders that they must give up unrealistic standpoints if they are to secure a share of these resources. The government has already indicated--and Norwegian opposition politicians have agreed to--a line that will ensure Iceland extensive fishing opportunities in a Norwegian fishing zone around Jan Mayen. That is a policy that Norwegian fishermen will have to approve as well, if they not only consider their own narrow economic interests but also take account of what serves Norwegian national interests.

Towards Iceland the Norwegian authorities in this conflict have shown a thoughtfulness and followed a diplomatic line that deserve recognition; we have held fast to important principles of international law and not consented to any undermining of our sovereignty, but at the same time we have shown generosity in practical matters--and an Icelandic share in the fish resources within a Norwegian zone is such a practical matter. If we had shown the same consideration and followed a corresponding line when we were

dealing with the Russians a little over 2 years ago concerning the Barents Sea, the chances would have been greater that today we would have avoided the "gray zone" and the danger of a Soviet jurisdiction creeping westward. The comparison is a good illustration of how Norway allows itself to be influenced by its negotiating partner's power and strength; we were quick to give in to the Soviet Union, while towards Iceland we are playing an unaccustomed rôle as the larger and stronger side.

With a view to future discussions with the Russians, in the coming meetings with the Icelanders we should hold fast to the midline as the boundary between the Icelandic zone and the Jan Mayen zone. Since it is obvious that Icelandic fishermen will get a considerable share of the resources around Jan Mayen, the Icelanders will gain little on the practical plane by opposing such a boundary line. Both parties can agree to set aside the question of the resources of the ocean floor until the UN Conference on the Law of the Sea has finished its work and international norms have been established. Patience is indicated here, so that the current points of conflict can be gotten out of the way now during the Norwegian-Icelandic negotiations.

8815

CSO: 3108

ICELAND LEFTISTS PROPOSE MOVING KEFLAVIK BASE TO JAN MAYEN

Oslo AFTENPOSTEN in Norwegian 12 Jul 79 p 8

[Text] Reykjavik, 11 Jul (NTB [Norwegian News Agency]) --It would be a fine solution to the Jan Mayen problem if the American air base on Keflavik were moved to the island, according to the newspaper THJODVILJINN (The Will of the People).

THJODVILJINN is the main organ of the left-oriented party the People's Union.

In the article it is stated that Norway has always shown a special interest in the United States's keeping its military base on Keflavik. But, the paper writes, Jan Mayen could give the United States a better base, since the Soviet Union now intends to put its submarine fleet under the polar ice.

There is no doubt that both the United States and the Soviet Union and probably Norway as well will reject this suggestion, but the question is whether Iceland must necessarily bow to the demands of others in regard to military questions for Iceland, THJODVILJINN writes.

8815

CSO: 3108

MARTENS CAN COUNT ON SOCIALIST SUPPORT

Brussels SPECIAL in French 19 Jul 79 pp 19-20

[Article by Francis Monheim: "Wilfried Martens and the Socialists"]

[Text] One can accuse Wilfried Martens neither of "fatal delays" nor of "reckless precipitousness" to borrow an expression of the king.

The prime minister follows the rhythm of a cruiser which he has set for himself (and which was set up) in the three priority spheres of state reform, energy policy, and social coordination. At the same time he has succeeded in forcing his way onto the European level. But in this gigantic chess game Wilfried Martens moves his pawns with the circumspection of a great master; in particular, he sees to it scrupulously that he associates parliament with the taking of a decision. In order to avoid frustrations and bruised feelings without doubt, but above all because Martens cares about the smooth functioning of our democratic institutions and intends that everyone take up his responsibilities.

If he can rely on the often hesitant agreement of his own party--in this connection it has been written that Martens was a prime minister on parole--the head of the government can count on much more frank support from the socialists (whether French-speaking or Flemish). Doubtless it isn't said often enough: the performance which must be credited to Wilfried Martens are also those of the Vice Prime Minister Guy Spitaels, who puts all the weight of his intelligence and working power into this enterprise; while other socialists manage the most important sectors of governmental action: Willy Claes in National Economy, Henri Simonet in Foreign Affairs, Roger De Wulf in Employment and Labor, Hoysaux and Ramaekers in National Education, and Jean-Maurice Dehousse for Walloon region affairs.

It has not been surprising since then that this government, presided over by a Social-Christian, has a clearly progressive coloration which sometimes disturbs business circles and visibly irritates the liberal opposition.

An Historic "Monitor"

It is incontestably in the field of institutional reforms that the Martens government has achieved--in 100 days--the most spectacular results. Here it has had the merit not only of acting but, while acting, to state the real problems and to force the houses of parliament--which are constituents, let us not forget--to think up solutions.

The opposition made fun a little too easily of the "triumphalism" proclaimed by Wilfried Martens when LE MONITEUR published (on 11 July) the royal decrees establishing the competence of the four community and regional departments (one Flemish, one French-speaking, one Wallon, and one for Brussels). These texts actually possess an undeniable importance for the future of the country. First because, for the first time, the idea of personalizable matters was validated concretely. But, as the prime minister himself stressed, "this idea is essential in the pursuit of an adequate solution permitting the two communities to live together harmoniously." Secondly because for the first time they have defined in a concrete way the respective competences of the communities and the regions. This work was indispensable if they want to give reform of the state a practical and not just a theoretical content. LE MONITEUR therefore published the royal decrees enumerating the subjects "where a differentiated regional policy is justified." These concern land development, jobs, economic expansion and industrial policy, housing, removal and treatment of solid wastes, exploitation of natural resources, water policy, organization of subordinate powers, hygiene and public health, aid to persons, families, and services, protection of youth, teaching and pedagogical training, and professional recycling and reconversion.

But, as the prime minister still says, "the best way to avoid conflicts consists in delimiting well the respective areas of responsibility of the state, the communities, and the regions." The royal decrees which we have just mentioned are therefore going to constitute so many references at the time of the definitive working out of the reform of the state, references which can be corrected, filled out, and defined in more detail "if experiences requires it."

In the months to come the government is going to be busy with the restructuring of the administrations and budgets as a function of the new distribution of areas of responsibility. This means that before the end of the year the community and regional executives will possess human and financial means enabling them to carry out the policy which they have set for themselves. The next stage will then be to organize the responsibility of these executives with regard to the community and regional assemblies which, in the definitive phase of regionalization, should be elected directly by the electoral bodies concerned.

After that, one question exists: is the action of the Martens-Spitaels government going to be in the direction of one Belgium to two, or from one Belgium to three?

The Options of the CVP [Social-Christian Party] and the PS [Socialist Party]

Even if the final options rest with parliament--the prime ministers insists a good deal on this point--one can forth formulate a certain number of facts and provisions in the light of the political events of recent weeks.

1. The CFF, the party of the prime minister, is clearly oriented towards a dual federalism. Even if the president of the party, Leo Tindemans, refused to make a clear statement in this regard, the meeting held at Malines by the CVP at the beginning of this month leaves no doubt. For the CVP, state reform implies the autonomy of two communities, Brussels constituting an urban region with a limited area of responsibility. Furthermore it appears that the CVP desires the French-speakers to model their attitude on that of the Flemish and decide to fuse regional and community institutions.

2. But on the French-speaking side they insist on the existence of two distinct regions. In this regard the attitude of the Socialist Party is the determining factor. But while the PS has always carried on the Walloon struggle--in this connection one recalls the decisive action of J. J. Merlot, of Freddy Tervagne, of Andre Renard, or Fernand Dehousse--the socialists have also always insisted on the necessity of a Brussels region distinct from the Walloon region.

At the time of the meeting of the assembly of Walloon members of parliament last 14 May, the president of the PS, Andre Cools, reminded them of this policy: "The socialists have always judged it necessary to maintain a Walloon region and a Brussels region. Actually one must give specific replies specific difficulties. And no one will deny, even if the phenomenon is less urgent today than yesterday, that deep differences exist between the regions of the center and south of the country. In any case, with all problems where a complementary action between Brussels and Wallonia is required, collaborations between the two regions will be the rule."

This complementary relationship is repeated, moreover, in the base of the Front of French-Speakers of which the socialists were the initiators. But, as has just been seen, it does not imply a fusion of the French-speaking community with the two regions--the Walloon and Brussels--while on the Flemish side--where they have not succeeded in setting up a similar front--this fusion has taken place.

The Problems of Brussels

It is true that the situation is viewed quite differently from the two sides of the linguistic barrier.

Flanders--community and region--forms an effective homogeneous entity. An entity which is naturally concerned about the fate of Flemish people in the capital but whose anxieties are limited to this "personal" aspect.

As for the Walloons, they justly believe that the problems of their region are different from those of the capital and they therefore encourage the inhabitants of Brussels to take control of their own destiny.

Finally, it is in Brussels that the political problems are most acute. Not only because of the coexistence, sometimes difficult, of a large majority of French-speakers and a small minority of Flemish, but also because of the crisis which is affecting the two French-speaking parties, the PSC [Christian Social Party] and the FDF [Democratic Front of Brussels French-Speakers].

The PSC is sick with its internal dissensions and the always implacable struggle waged by the Christian Democrats and the CEPIC [Political Center of Christian Independents and Cadres]. But it is the latter which largely dominates the PSC of the Brussels circumscription where a deplorable and the CEPIC. But it is the latter which largely dominates the PSC of the Brussels circumscription, where a deplorable climate, which certainly augurs ill for the study and solution of the real problems of the region, prevails at present.

As for the FDF, it is also extremely divided: between protagonists and opponents of participation in the government (the first led by the FDF ministers and the second by the secretary-general of the party, Georges Clerfayt), between liberals (of the Nols faction), socialists (of the Defosset faction) and Christian-Democrats (of the Persoons faction), between municipalists and regionalists. The fact that Mrs Spaak plans to leave the presidency of the FDF tends to accentuate still further the rivalries which make this "front" of French-speakers a mosaic of opinions and factions incapable of achieving a true pluralism.

It is possible--and even probable--that the Socialist Party will in the end benefit from these weaknesses by winning back progressively the positions which used to be theirs in Brussels. The chances of the survival of the Brussels region could only have improved even if the PS continues to give priority to the Walloon struggle. For this party is the only one which can counterbalance and limit the influence of the CVP in the country as a whole. But in the state-CVP Brussels would only play a very secondary role. It must be concluded that the future of the Brussels region henceforth depends on the Socialist Party, just as that of Wallonia.

And this future will be tested in the months to come, at the same time as that of the national community.

6108

CSO: 3100

STRAUSS INTERVIEWED ON FRG-SOVIET RELATIONS

Bonn DIE WELT in German 7 Aug 79 p 4

[Excerpts from interview with Franz Josef Strauss by South German Radio]

[Text] A Soviet film about the FRG talks of the change in Franz Josef Strauss. It emphasizes the statement by Strauss that he believes in party chief Brezhnev's will to peace. In an interview with the Suedfunk [South German Radio], Strauss talked about his conversation with Brezhnev and his position with regard the Ostpolitik: "I go in for speaking openly. I also did this in my conversation with...Mr Brezhnev. He respected and honored that in his way." DIE WELT publishes verbatim the passages dealing with Ostpolitik.

[Question] As you know, some of the leading Social Democrats have, as it were, reproached you or have intimated that in all probability you would watch your language for once in order--with a less abrasive voice--to find a better response among the German public. And surely it came as a surprise that during this week you were in Budapest, not only you alone, but also the CSU Landtag fraction of Bavaria. You were able to speak with, the first secretary of the Communist Party of Hungary, Kadar. My question now, also in connection with your speech of 11 May 1978 after the Brezhnev visit, is the following: In what way is your Ostpolitik different from that of the coalition?

[Answer] I am not known for toning down my language in order to simulate a more pleasant voice or diction, rather I am known for the fact that I say what I think...

I go in for speaking openly. I also did this in my conversation with the general secretary of the CPSU, Mr Brezhnev. And in his way he respected and honored that. In my speech to the German Bundestag I recounted the course of this conversation. Prior to my trip to Budapest, some people again found it necessary to say with a sweet-sour smile or disdainfully...that I would meet with a cool reception in Budapest...All this is nothing but talk by those who through their gossip or scribbling want to pretend

something that is not so, or to accomplish something they cannot accomplish. In Budapest we were received...with all honors. I really have no reason to complain. We talked about a number of economic, cultural, and also political questions, including my conversation with Mr Janos Kadar. In these talks nobody tried to cast doubts on the position of the other, nobody left a doubt about his own political position, and in spite of that it turned out that in this pragmatic way one can get to know each other much better and treat one another more honestly than through clumsy attempts at rapprochement or simple flattery.

[Question] Pragmatic way--I recall what you said in the speech of 11 May which we have already mentioned, for example, if Russia would bring about a change, if it would comprehend that a free German nation treated fairly will be a grateful, just partner who will be allied in friendship. You have also emphasized that the neighbors would not have to worry, and that the crux of the matter would be the mutual recognition of the nations' right to exist. Basically this sounds quite different, after all, from the policy of the government. Do you see a chance for an Ostpolitik indicated in this way?

[Answer] My negative position with regard to the treaties with the East was and is known. However, that did not keep me from stating in my speech in the Bundestag in January 1973: *pacta sunt servanda*, treaties must be observed. My resistance to these treaties, furthermore, had nothing to do with the fact that my friends or I did not want any treaties with Moscow and its allies, but rather that these treaties were negotiated in an amateurish fashion, formulated inadequately, interpreted misleadingly, or interpreted in a contradictory manner, and did not become what they might have become.

But the sorcerer's apprentice Egon Bahr, whom I once called a dilettantish amateur diplomat, to use the mildest possible formulation, was after all no match as a negotiator for a man of the significance and the format of Gromyko. And if one knows what had crystallized between Russia, if I may use this expression, and Germany in the way of historical events and thus also burdens--the World War I, the interwar period, World War II, the post-war period--with the guilt lying primarily on the German side, but the other side also contributed to it, if I think of the Hitler-Stalin Pact--then one cannot overcome such things through a hocus-pocus process, through a kind of television-like film about diplomats like Egon Bahr felt he had to present, but only through patient, tough negotiations, in which a tedious struggle for legal positions and pragmatic forms of conduct is waged which frequently lasts for years. And we aspired to such treaties, would have attained them though the negotiations would have lasted longer, and such treaties--because of the impossibility of interpreting them differently or in contradictory ways--would have been a better aid for understanding than the existing treaties.

But we are not responsible for this. We have taken them over, we must get along with them, and we must observe them. But we must observe them in accordance with the interpretation given by the Federal Constitutional Court in its famous decision of 31 July 1973.

In my talk with General Secretary Brezhnev I stated quite openly that we will never be satisfied with the partition of the German nation into two nations, into one allegedly capitalist nation in the West, and an allegedly socialist nation in the East. I told him that the Germans constitute one nation, and that this nation cannot be split artificially into two nations through such attempts. I said that in this matter history would have the last word, and that I am convinced that history's final say will be in our favor.

During the same conversation I stated that if the rulers of the Kremlin, if the decision-making statesmen of the Kremlin would change their position with respect to Germany in its entirety, if they would not insist on the German partition into two artificial nations..., then the position not only of the German people as a whole would change, but a period of a historical spring, a dawn, would begin for both people, for the Russians and for the Germans, and for the peoples situated between them. In this connection I recalled the fact that whenever Russians and Germans opposed each other in war, both suffered--Napoleon's wars, World War I, and World War II. When the two assisted one another, cooperated, respected and esteemed one another, it was for both peoples a source...of blessing, security, an ordered and promising future...

I am not a dreamer, I am not a Utopian, I am not writing a landscape of fairy tales and dreams into the future, not even if I were the German Federal Chancellor. But I know that at times one has to take the first step, I know that such a political process could last years and probably decades, but one must not lose sight of the goal, and then one will not lose the right path.

8970

CSO: 3103

RIGHT-OF-CENTER MINI-PARTIES MAY BE NEAR END OF ROAD

Helsinki UUSI SUOMI in Finnish 2 Aug 79 p 2

[Commentary by Jaakko Korjus: "Chances Slim"]

[Text] The Finnish People's Unity Party (SKYP) will be electing a new chairman sometime next week. By prior agreement, Eino Haikala will at that time give up his position.

But the SKYP has as yet no intention of giving up. Despite the fact that the party did not get a single elector in the electoral elections, nor a single representative in the recently held parliamentary elections, it intends to continue to exist.

The fact that there are still about 100 seats open in municipal councils provides a basis for attempting to go on. In the next municipal elections, the SKYP will accordingly attempt to campaign.

The SKYP came into existence with the disintegration of the SMP [Finnish Rural Party]. It acquired more power in Parliament than the mother party had.

Nevertheless, the SKYP was unsuccessful in the elections.

In the recently held parliamentary elections, the SKYP got only one representative. However, Matti Asummaa switched to the Center Party in the middle of the elections. Since then, the voice of the SKYP has not been heard in Parliament.

Only a new disintegration of the SMP — if even that — can once again give the SKYP a seat in Parliament. The SKYP probably can no longer make it under its own power.

Thus the SKYP is apparently facing its end. Its efforts were to no avail.

Whether the Constitutional People's Party (PKP) will have a seat is also very problematic.

It too no longer has a representative, although it does have more political power and know-how at its head than the SKYP. Besides, the PKP's position in municipal politics is weak. It will probably not find a springboard for a new rise to power in that quarter either.

Forces that have primarily broken away from the Swedish People's Party and the Conservative Party are responsible for the founding and activities of the PKP. One unifying, rallying force has been criticism of Urho Kekkonen's policy and his person.

Communism is strongly opposed. The Conservative Party and especially the patriotism of Conservative youths have been questioned.

The PKP has suffered from internal differences of opinion. Walking papers have been requested and granted.

PKP politics have become heated, particularly the opinions of its own supporters. Party comrades have become former party comrades. Friends have become enemies.

The next parliamentary elections will decide the fate of the PKP.

If the return to Parliament is successful, the PKP will gain a respite. If it does not get a single seat in Parliament, the PKP will probably have lost its chance.

In such a situation internal differences can prove to be fatal.

The disappearance of the SKYP from the party lists would not mean defeat.

The collapse of the PKP's political position and influence seems to be cause for concern for some Conservatives. The concern is, however, a quite calculated one. They hope the PKP continues to exist because that would be advantageous in terms of the Conservative Party's own image.

This is an exaggeration of self-protection.

The PKP is not making a government party of the Conservative Party. It has not made a great party of the Conservative Party.

The Conservative Party will also continue to manage to handle its own affairs. So it has to be made independent, which is the fate of the PKP.

11,466
CSO: 3107

UNITY PARTY ELECTS NEW CHAIRMAN

Helsinki UUSI SUOMI in Finnish 6 Aug 79 p 5

[Text] On Sunday, the second day of its party conference in Ylivieska, the Finnish People's Unity Party (SKYP) elected as its new chairman Anssi Keski-Vahala, who up to now has served as party secretary. Prof Eino Haikala, who has headed the SKYP since 1972, had previously announced his resignation.

The election of Keski-Vahala as chairman was unanimous. Farmer Eero Huhtakallio of Haapajarvi was chosen as second chairman and market gardener Aune Manttari of Kontiolahti as third chairman. Agrologist Hannes Volotinen was chosen as party secretary. Of those elected, Manttari and Volotinen are former members of Parliament.

Professor Haikala, who has for a long time led the party, was elected honorary chairman of the SKYP at the conference. Haikala also announced his intention of continuing to work for the party. His activities in charge of the relief fund, among others, could be continued. The fund was set up at a party conference at the beginning of Haikala's term in office.

The SKYP party conference also issued a comprehensive public statement. In it, demands were made to deal firmly with abuses, bribery and political speculation.

Elimination of Party Support Demanded

According to the SKYP, a return to people's power also implies putting an end to party support. Protection of the independence of the judiciary was also demanded. Admission of incompetent officials to administrative positions for purely political reasons is, in the opinion of the SKYP, to be denied.

In the field of foreign policy, the Ylivieska conference gave its support to the nation's official foreign policy. In the domain of economic policy, the SKYP wants relief for small businesses. For example, businesses employing less than 10 people should be exempted from the business turnover tax.

In the party conference's opinion, the system of forest taxation needs straightening out. With reference to sporadic ventures, the conference tackled the question of the artificial lake of Siurua, whose construction was vehemently opposed.

About 200 people are participating in the party conference at Ylivieska. The party has no representatives in Parliament. The goal of the party is now to set in motion a municipal election campaign, since the SKYP has some sort of a foothold in the municipal councils.

11,466

CSO: 3107

SKP POWER STRUGGLE SHIFTED BEHIND SCENES

Helsinki DEMARI in Finnish 2 Aug 79 p 7

[Commentary by Jukka Vayrynen: "Arm Twisting Inside the SKP: Less Talk and a Rougher Game"]

[Text] While the stresses brought to bear on one another between the different factions of the split Communist movement have during the past few years eased up and order has been somewhat restored, the majority faction and the left have been engaged in a guerrilla war in which the stakes are first of all the administrative positions in the offices of both the SKP [Finnish Communist Party] and SKDL [Finnish People's Democratic League] worker movement cooperative organizations.

In the early 1970's SKP and SKDL representatives, the left's Taisto Sinisalo, the majority faction's Aarne Saarinen and the SKDL's then chairman Ele Alenius, who figured among the ranks of the socialist wing of the movement, still publicly engaged in very sharply worded exchanges of opinion.

This public sniping came to a head with Sinisalo's expression of his views of the SKP majority faction in Moscow in early 1974 and majority faction Arvo Hautala's reply. Among other things, Hautala was then second chairman of the SAK [Central Federation of Finnish Trade Unions].

After this, the cultivation of unfriendly remarks was quickly withdrawn from the public eye and shifted to the internal arenas of the SKP and SKDL organizations. The only one who has actually dared to break this silence was Ilkka-Christian Bjorklund when he revived discussion on Eurocommunism.

Game Got Rougher Beneath the Surface

However, the majority faction and the left's tail-pulling sessions have not eased up, although they are no longer visible in public. Inside the movement, many say that the game has actually gotten rougher. The battle over positions in the SKDL and SKP fringe organizations and the worker movement cooperative organizations has been stepped up, just as it has in the Communist wing of the trade-union movement.

Particularly administrative positions, which the majority faction has quietly tried to garner, have become pawns in the game. Examples of this are, in the trade-union movement, majority faction Leo Roppola's replacement of left-wing Eerik Ruotsalainen, among other things, secretary of the AKT [Automobile and Transport Industry Employees Federation], and the dropping of education policy secretary Marko Auer from the SKDL youth organization, the SDNL [Finnish Democratic Youth League], office well before last spring's SDNL conference.

The majority faction will probably make its next transfer in the TUL [Workers Sports League], whose international affairs secretary, left-wing Pentti Kujanaki, is scheduled for retirement as of the beginning of October. In his place, Taisto Paakko, a majority faction man who now holds the office of deputy secretary, will probably be chosen.

Preserving Facades

At the same time, however, the SKDL and the SKP and their member and subsidiary organizations apparently will carefully preserve their facades, their administrative agencies. Changes in their balances of power have not taken place, which is apparently due to the attempt to keep discussion strictly within the bounds of the movement.

The nine- to six-man balance of power in favor of the majority faction on the SKP Political Committee was preserved unchanged at last year's party conference, three of the SKDL party administration's 20 regular members represent the left wing (four, if Heimo Rekonen from Ylojarvi, who has undertaken to act as "unifier," can still be counted as a member of the left wing) and, of the party council's 45 regular members, nine are left-wingers and one is a "unifier" from Northern Ham.

Left-Wing Troika Gone

During the past few years, the SKP left wing has been unsuccessful in strengthening its position in terms of the voting public. By quite successfully concentrating its votes, this spring the left wing managed to obtain 11 seats in the new Parliament. In terms of the left wing's position relative to the SKDL parliamentary group as a whole, this meant a decline of about one percentage point from its earlier position.

More evident, however, was the absence of the left wing's whole leadership troika from Parliament. Both Taisto Sinisalo and number-two man, Markus Kainulainen again tried to obtain seats in Parliament, but failed. As for number-one woman, Mirjam Vire-Tuominen, she abandoned her seat in Parliament when she left for Berlin to join an international communist women's organization. Now they are trying to lay the responsibility for left-wing success in future on Ensio Laine's narrow shoulders.

Hame Moderation

Simultaneously with the increase in tension that has taken place within the organizations, incidents have also been noted inside the SKP and the SKDL that seem to be aimed at moderating differences of opinion and obliterating front lines.

The movement that has achieved the most noticeable and also most significant gains is the so-called unifiers group in Northern Hame. Led by former member of Parliament, Heimo Rekonen, it has, among other things, succeeded in obtaining the majority faction's silent support for the district newspaper, HAMEEN YHTEISTYÖ, which had earlier tightly hewed to a left-wing line.

Also, both of the district's representatives, the regular as well as the deputy member, in the SKDL Party Council are now Rekonen-style unifiers.

Then there is the declaration of peace by local SDNL members that took place some time ago in Hameenlinna. Similar declarations have indeed been attempted before as well, but their effect, from the standpoint of the disintegration of the whole movement, has not been significant.

11,466

CSO: 3107

MAJORITY FACTION DOMINATES IN SKP PRESS, ORGANIZATIONS

Helsinki DEMARI in Finnish 2 Aug 79 p 7

[Text] Noticeably more so than, for example, the SKDL parliamentary group and the SKP Political Committee, the majority faction dominates the SKDL district organizations and the SKDL press.

Of the 17 SKDL districts, only two, Jyväskylä and Kymi, are completely in the hands of the left wing. In Tampere, the unifiers, led by Heimo Rekonen and who have put themselves between the front lines, are in control.

Since the Tampere HAMEEN YHTEISTYÖ has shifted from its hard left-wing line to become a unifier newspaper, aside from the TIEDONANTAJA, the left-wing press has been reduced to only the Swedish-language ENHET.

The majority faction sovereignly dominates the SKDL-SKP district press market. Aside from the KANSAN UUTISET, it controls the district newspapers: KANSAN TAHTO, SATAKUNNAN TYÖ, KANSAN AANI and KANSAN SAHA.

The Communist movement split can be seen in the travel bureau industry (the majority faction's Vacation Travel, the left wing's Friendship Tours) as well as in the student movement (the majority faction's KOJ [expansion unknown], the left wing's SOL [Socialist Students League]).

Each faction has its own temperance society too. The left wing is also again trying to organize activities for teenagers in the form of an organization called the Sampo Forgers. The Pioneer League, a traditionally Communist teenagers organization, is controlled by the majority faction.

Among others, the left wing has heavily infiltrated the Peace Defenders League, which it controls, and the Investigators League some time ago. In addition, it has founded the Cultural Employees Federation as its cultural organization.

Also, the political output of Love Records, which recently filed for bankruptcy, was regarded as being chiefly in keeping with left-wing Communist thinking, although during its final phase majority faction Communists and Social Democrats were accorded some space on the firm's lists too.

As for the majority faction, it wields the scepter in the movement's cultural organization, the People's Cultural Effort Federation, and in the regular youth movement in the SDNL.

11,466

CSO: 3107

DEMARI ANALYSIS REFLECTS WISHFUL THINKING

Helsinki TIEDONANTAJA in Finnish 3 Aug 79 p 2

[Editorial: "DEMARI and SKP Affairs"]

[Text] For lack of other topics, DEMARI has once again brought us up to date on SKP [Finnish Communist Party] internal affairs. DEMARI first set up its objective and then explained things accordingly. DEMARI's objective is the weakening of positions held by the faction referred to as the SKP left wing.

The weak part of the DEMARI article is the objective. Since it cannot be achieved, the article itself is lame and transparent. DEMARI claims that an SKP faction lost out in the parliamentary elections, although the truth is just the opposite.

DEMARI is right in only one thing. In the people's democratic movement there is an incredible amount of discrimination. It is against the rules and alien to SKP principles and morals. Conservatism has never suffered from pangs of conscience over its worst deeds. Nor has this been the case in this country's left-wing worker movement.

The real reason for the DEMARI article is the fact that new opportunities for organizationally strengthening the SKP have arisen. Under the circumstances, weakening of the workers' position has led to a sharpening of attitudes and radicalization of their opposition to wage policy in the worker movement. This is reflected in both the SKP and the SDP [Finnish Social Democratic Party]. It is badly damaging new economic programs directed against the workers which the government is just now considering. With its adverse criticism of the SKP, DEMARI is trying to ease the pressure aimed at the government's economic policy by sowing discord in the SKP.

Another reason for the DEMARI article is the disintegration in the SDP's own ranks. Social Democrat workers feel unemployment and the economic crunch in their bones. Since these are the consequences of government policy and the Social Democrats in turn are shaping government policy, it is understandable why the pot is boiling in the SDP. Both Social Democrat and Communist workers expect big capital and antirightwing measures from the

government, but instead of this they are bearing the full brunt of government policy. No wonder that there is so much dissatisfaction.

Deep down, as far as SKP and SDP difficulties are concerned, it is not a question of party-internal arm twisting, rather of government policy arm twisting which is gradually turning efforts directed toward a big capital economic policy into a fiasco.

11,466
CS0: 3107

PCF'S MARCHAIS SEEN OUT TO EXPLOIT PCF'S DIVISIONS

Paris LE FIGARO in French 11-12 Aug 79 p 4 (A)

[Article by Edmond Bergheaud: "Marchais Wants to Exploit the PSF's Divisions"]

[Text] "When you dine with the devil, you need a long spoon," says a Russian proverb. Georges Marchais has invited himself to dinner with Lucifer; he has his spoon and is determined to use it to serve himself heaping portions, namely to discuss the best ways "to thwart the Giscard-Barre policy," and the PCF's interests are the first to be taken into account.

But who is the devil? It is not the Socialist Party, the PCF general secretary maintains. It is as though Francois Mitterrand and his friends held a place apart in the hierarchy of demons. They are at the foot of the table at the left's ideological banquet, but they still have some right to take part in the feast.

In the political desert of August, Georges Marchais is still dominating the stage and honing his tactics. He is motivated by two reasons:

(1) Since the 23rd Congress, he has gotten rid of the "bad eggs," like unruly intellectuals or Roland Leroy, who had been very critical of what the general secretary was doing. He is now the uncontested head of the party and can make it follow his line.

Georges Marchais now considers that the shock from the left union's legislative defeat in March 1978 has receded, and he intends to make the PCF a strong force against government policy, one which will appear to be the "best defender of the workers' interests." According to the general secretary, the party will then mount a bandwagon for all who are critical of "Giscard-Barre."

(2) The situation in the Socialist Party favors what the Communists are doing. Francois Mitterrand won a Pyrrhic victory at the Metz congress. In order to retain the leadership of the PSF, he had to make a deal with the party's left wing, CERES [Center for [Socialist] Studies, Research, and Education], and thereby put in the minority, not to say opposition, Pierre Mauroy and Michel Rocard.

What Agreements?

With CERES and its stormy rhetoricians, things are not so simple. What is there in common between Francois Mitterrand's declared desire to negotiate with the PCF only from a position of strength and those who think that the alliance between the two parties is an absolute necessity? What meeting of minds can take place between the very European-minded first secretary and the "anti's," Jean-Pierre Chevenement and Didier Motchane, who are determined opponents of democratic socialism?

These are the rifts that Georges Marchais intends to exploit, as though he thought things had turned around since March 1978. The PSF is no longer the party that is "domineering and sure of itself" and that intended to reduce the Communists to playing a mere supporting role in the elections. As for the PCF, it has regained, with a few cracks, its monolithic quality, without which it would simply not be itself. Now it is the PCF's turn to sally forth against the Socialists, who are bogged down in their disputes.

The alliance with the devil is, for the PCF, a new way to achieve this "union of the people of France" that it has been advocating for so long. And Francois Mitterrand is not mistaken when he emphasizes that the Communists have always preferred a sort of national union--which they would obviously control--to a privileged alliance with the Socialists.

The tactics necessary to achieve this have been found: take common action with all opponents of government policy and ignore doctrine on both sides. With the Socialists, there is no question of coming back to the union of the left, i.e. an agreement between party leaderships alone. But the PCF thinks that many members of the PSF are in favor of union at the bottom and have little patience with the disputes dividing their leaders. Even Mauroy is not abashed to say so, and he has repeatedly spoken of the weariness and discouragement that weighs upon many party members. It is up to the PCF to take advantage of this discontent.

This is the field upon which Georges Marchais is about to launch his troops. But whoever wants to eat at his table will have to bring a long spoon, because nothing has changed: what the PCF wants, whatever strategies it uses, is government power, nothing else.

8782
CSO: 3100

ELLEINSTEIN 'IN ACCORD' WITH CURRENT PCF ORIENTATION

Paris LE MONDE in French 19-20 Aug 79 p 18

[Article: "Mr Elleinstein Says He Is In Complete Agreement With the Present Orientation of the PCF"]

[Text] Mr Jean Elleinstein, deputy director of the Center for Marxist Studies and Research (CERM), gave an interview on Friday 17 August on channel 1 of French Television. The essentials were excerpted in the Saturday issue of L'HUMANITE. The communist historian declared, notably, "I prefer to rejoin my party than its opponents. As far as I am concerned, I am more satisfied with the orientation of the 23rd congress than I would have thought I could be in the months preceding it."

Mr Elleinstein mentioned the decisions made by the congress and the Central Committee (at its meeting of 21 June) concerning intellectuals. "I think they are real and quite positive steps, seen in the light of the very problems that I was discussing before the 23rd congress." He was also enthused by the fact that the PCF's leaders recently stressed the vitality of Eurocommunism.

Concerning the alliance between the PCF and the PSF, Mr Elleinstein said, "The 23rd Communist Party congress--and this is one of the sources of satisfaction that I found in its work--set forth the problem of union between the Socialist Party and the Communist Party as a historical necessity in our time and in our country. At present, it is a double problem: on the one hand, there are the problems posed by the orientation of the Socialist Party and, on the other hand, there is the problem of strengthening the French Communist Party, both inwardly and at the polls. We are in an intermediary phase where the conditions of the alliance imply a strengthening of the PCF and make this a priority question, and I am completely in favor of this point of view.

"But the perspective is still, naturally, the alliance between the PCF and the PSF. Contrary to what has been said, you understand, the PCF has no back-up strategy; it has only one strategy, while the PSF obviously has several possible strategies because it can ally itself directly or indirectly

with centrist elements, which is not the case with the PCF."

Mr Elleinstein indicated that he will continue to write for the non-communist press and that he "hopes" it will not keep him from writing for L'HUMANITE. He will take part in a debate on the occasion of the anniversary of the communist daily, scheduled for 8-9 September. The deputy director of CERM also said he had talked on the phone with Mr Georges Marchais.

Asked to make a statement, Mr Elleinstein said, "I just learned this morning that Anatol Shcharansky, a Soviet Jew who has been under arrest for more than two and a half years now and who has been given a long prison sentence, is very ill, and the statement that I would make--as I did in January 1978 from the podium of the national convention of the PCF--is that he should be freed immediately."

8782
CSO: 3100

PCF POLITBURO SEES 'NOTHING MORE IMPORTANT THAN UNITY'

Paris LE MONDE in French 19-20 Aug 79 p 18

[Article: "Nothing is More Urgent Than to Unite and Take Action, Says the PCF Politburo"]

[Text] The PCF Political Bureau met on Friday 17 August and adopted a declaration condemning the government's "deliberate policy of increasing profits, which have never been so high, and increasing big business investment when it is swamped with cash and massively exporting capital." To oppose this policy, the PCF says, "the Communists, who are men and women of unity, will help unite all workers to defend their aspirations, their jobs, their living standards, and their working conditions."

The Political Bureau adds, "In the face of such an antisocial and antinational policy, nothing is more urgent than to unite and take action. To put things off till tomorrow or some future election would be to give government and management the time to cause more misfortune and damage. For communists, the desire for unity cannot be dissociated from action. Every improvement won by the workers, every retreat by the forces in power will count. As we said at the 23rd congress, every new position won will lead to greater successes and overcome the contradictions that oppose the popular forces' becoming a majority movement and building a more solid and more lasting union."

The PCF Central Committee will meet on 12 September to study the report of Mr Philippe Herzog, a member of the Political Bureau, concerning the "development of action and the unity of action to defend the buying power of the workers and their families, jobs, and the national economy."

8782
CSO: 3100

PCF'S MARCHAIS SEES GOVERNMENT LACKING 'CONSENSUS'

Paris LE MONDE in French 4 Aug 79 p 6

[Text] Mr Georges Marchais, who returned to France on 31 July after spending a month in Yugoslavia, gave a press conference on Thursday, 2 August, during which he explained the position of the PCF on the decisions made this summer by the government and the "targets for struggle" which the party "is proposing to the workers."

Convinced that the French are now undergoing "the most vicious kind of class policy," Marchais stated that management and the government do not have a "consensus" which would permit them to have this policy accepted and that this situation is due, in great part, to the PCF, which is going to be "combative" and "tough."

The secretary general of the Communist Party termed the "socialist plan" a "catch-all program" as it now stands and he ruled out the possibility of joint action with the PS. He recalled the position of the PCF on the problem of Vietnamese refugees and pointed out that, on the subject of the spokesmen for Charter 77, his party is intervening with the Czech authorities, an intervention whose effectiveness, he said, depends on discretion.

Marchais spoke about the current economic and social situation, which, he said, "is made up of runaway price increases, factory shut-downs, the dismantling of public services, of democratic statutes ripped to pieces." According to the secretary general of the PCF, "our whole national production base is affected."

He cited the drop in French steel production and the loss of jobs in this sector, while German production is increasing, the computer industry "sacrificed to the multinationals," the Concorde "openly threatened," the shutting down of railway lines, the limitation of electric power to homes and the announcement of power blackouts for this winter, the liquidation of one quarter of the fleet of the Compagnie Generale Maritime, the abandonment by Air Force to private airlines of the route to Corsica, noncompliance with the law of 1928 in the oil sector, the questioning of the "democratic structure" of the CNRS [National Center for Scientific Research], the reform of university careers, which is "dangerously close to the professional re-

straints of the Federal Republic of Germany," social security, which has been "struck at its very heart in the matter of assuring equality for all in case of illness, accident or death."

The secretary general of the PCF places at 60 billion francs the loss in buying power because of the rise in social security taxes (in January and in August), the rises in the cost of fuel, public tariffs, rents, the television tax, and taxes on alcohol and tobacco. "This sum amounts," he said, "on a monthly salary of 400,000 old francs, to the equivalent of a cut of 25,000 old francs a month. Without counting, of course, the general lowering of the standard of living, due to inflation which is more out of control than ever."

Marchais also spoke of unemployment, the deficit in the foreign trade balance and the budget deficit, in order to complete "an account of the most vicious class policy to be seen in France in a long time," while private enterprise profits, which were up by 28 percent in 1978, "are about to repeat that performance in 1979."

The Communist Party proposes nine "targets for immediate struggle," among which are: "a freeze on prices and rent for 6 months and the reestablishment of price controls, the raising of the lowest wages, a general wage increase to compensate for the rise in social security taxes, farm price supports, a halt in layoffs and in the closing down of businesses, a rise in family allocations of 50 percent within a year, the generalized use of "carfare" payments and payment of the "orange card" by the employer, an excess profits tax on oil companies, a tax on profits, on capital and high returns, and an energy policy based primarily on the diversification of energy sources.

According to him, "oil is not responsible for the economic and social situation, for unemployment or for inflation. To maintain that it is is to deceive the French," and those who do so are "liars" because "oil talk is a lot of hot air."

Asked about his absence from Strasbourg when the president of the European Assembly was elected, on 17 July, Marchais stated that that election "was not an event of such great importance as to make me cancel" my plans for the trip to Yugoslavia. He added: "When they begin to discuss questions concerning the national interest, and the interests of the working class, believe me, I will not be on vacation, I will be in Strasbourg. You can expect an extremely combative Communist Party--and I add, an extremely tough one. With the present government--the most anti-democratic, the most reactionary, the most antinational that we have known--it is necessary to develop firmly, on the class level, a determined struggle for the defense of the interests of the workers and, first of all, of the most disadvantaged ones. I promise the government some bad moments."

The secretary general pointed out that the elements which are now known of the "Socialist Plan" give him the impression of a catch-all program, oriented towards elections, rather than one consisting of proposals of a sort to satisfy the interests of the workers." He added that he had no intention of meeting with Francois Mitterrand.

Marchais believes that the debate over the "new right" is a "diversion." "I thought I was in the circus," he said, "with a clown--Jean-Francois Kahn,* for example--who amuses the spectators while Giscard d'Estaing and Barre pass among them picking their pockets." The secretary general declared that, before the "new right," the problem of the Vietnamese refugees had also been used to turn attention away from the policy pursued by the government. On this problem, he recalled the position of the PCF: "When a person desires to leave his country to live elsewhere, he has the right, and he should have the possibility," he said. Recalling the visit he had made to North Vietnam and in the zones of the south which were controlled by the GRP [Government of the Provisional Republic] in November 1973, Marchais described the ravages of the war in those areas. "At that time," he said, "I spoke out in the general silence of the radio, television and the press (...) Those who are moralizing today were silent then." In Marchais' opinion, it is not surprising that, faced with the difficulties of reconstruction, those who were living in Saigon, off the "manna of the dollar" and off U.S. "corruption" want to leave the country. The humanitarian problems raised by these departures ought to be solved," he emphasized. "That being said," he added, "we must now help Vietnam."

Marchais spoke of his stay in Yugoslavia and of his meeting with Marshal Tito. He declared: "From everything I saw and heard, I have come to one conclusion, which, naturally, I am profoundly happy about: while it is not without problems--who doesn't have them?--Yugoslavia is moving forward." The secretary general pointed out that the PCF and the League of Yugoslav Communists had agreed to increase their cooperation on behalf of disarmament and a new world economic order, through the study of the problems of building socialism and of self-management and through a twin cities program.

Asked about the preparation of the trial of the spokesmen for Charter 77 in Czechoslovakia, and about the silence of L'HUMANITE on this subject, Marchais pointed out that this discretion has as its goal "not interfering with our intervention and its effectiveness." "Obviously," he added, "if what we have done proves ineffective--and this is not blackmail--we would be obliged to speak out." (This response was published in L'HUMANITE on 3 August.)

* This journalist, who has a regular program on France-Inter, had been severely criticized by Pierre Juquin in L'HUMANITE on 31 July for having compared with respect to the "new right," the "Stalinist left" and the "Stalinist right."

FRANCE

BRIEFS

FOREIGN AFFAIRS APPOINTMENT--Gabriel Robin, minister plenipotentiary, has been appointed director of policy matters at the Ministry of Foreign Affairs, succeeding Jean-Marie Merillon. Until his appointment, Robin had been technical advisor on foreign affairs to the Elysee [i.e., the President]. [Text] [Paris LE FIGARO in French 30 Aug 79 p 2]

CSO: 3100

STATISTICS ON TRADE WITH ISRAEL REPORTED

Athens BUSINESS & FINANCE in English 4 Aug 79 p 16-20

[Text]

THE importance of Greece's trade and economic ties with Israel should not be measured by the relatively low level of trade between the two countries but more on the potential for cooperation, and particularly in the field of agriculture.

The level between the two countries is indicated in the accompanying table which shows that the value of Israeli exports to Greece is currently running at just under 50 million dollars a year while Greek exports to Israel were last year worth some 11 million dollars. These levels might be considered surprisingly low, especially when the geographical distance between the two countries is so small, and indeed as far as both total Greek imports and exports are concerned Israel's share in each is 1 percent or less.

Behind the figures however there does lie a good degree of contact and particularly of late in the agricultural sector. Looking first at Greece's exports to Israel, the major progress in the last few years has been in expanding outlets in the metals, textiles, and food products and tobacco sectors, these between them covering around 75 percent of the value of exported goods. Though on a small scale, exports have increased over the last few years

rising from a level of around 6 million dollars about five years ago to twice that level today.

Regarding Israel's exports to Greece, though the general level is higher, the spread of products is equally wide with no single item predominating. The sector of chemicals has grown considerably in the last two to three years but this has been mainly due to Greece's importing refinery products from Israel which last year accounted for over half the value of the chemicals category.

Within the same category, however, are to be found the important agricultural chemicals which form an important part of Israeli exports in the agricultural sector. More specifically potassium nitrate, while being one of the relatively minor fertilising elements, has become increasingly popular in Greece. Production in Israel is from operations at the Dead Sea by the Haifa Chemical Products company who sell in all some \$40 million worth of the material annually around the world. Its arrival on the Greek scene is relatively recent and it is applied normally through existing drip irrigation systems. Some measure of the chemical's success can be gauged from the fact that the Agricultural Bank of Greece (which buys and

distributes all fertilisers in the country) introduced subsidies in the sale of potassium nitrate and is also increasing the tonnage it will tender for from 2,500 to 7,500 tons. It is probable that Haifa Chemicals will supply all the additional tonnage.

A further Israeli product in the agricultural chemicals line imported by Greece is the range of metal bromides used for disinfecting soils and again normally applied through drip irrigation equipment. These materials, along with a comprehensive range of herbicides and pesticides make the agricultural chemicals sector an important aspect of Greek-Israeli trade.

The fact that Israel's agricultural productivity is amongst the highest anywhere in the world, and that Greece is currently at a stage in its agricultural development where every effort must be made to mechanise, in itself should open the way to a closer cooperation between the two countries. One of the areas in which this cooperation is already materialising is that of the cultivation of off-season agricultural produce and the use of hot-house and green-house facilities associated with this production. There have already been visits by both Greek farmers to Israel to view what the Israelis have available in this line and visits of Israeli manufacturers to Greece (specifically to Crete and the Peloponnese) to study how Greece could benefit from Israeli expertise in this area and the results have been encouraging. Within the last four months at least half a dozen contracts have been signed with Israeli manufacturers, totalling some 1.5 million dollars in value, for the purchase of green-houses from Israel. The buying agent has been the SPE (the purchasing arm of the Pasages cooperative organisation in Greece).

As well as off-season fruit and vegetables, the green-houses will also be used for flower cultivation in Greece and it is interesting to note that in many respects the flowers produced will be in competition with Israeli production from domestic green-house facilities.

In the agricultural equipment side, however, there are other areas where Israeli expertise is well known internationally and also utilised in Greece. Perhaps the most important such sector is irrigation equipment where few other countries can compete with Israeli technology. While Israel's level of technology in the agricultural sector is high, it is equally important to note that much of this technology is domestically developed. The similarities between the southern parts of Greece and Israel climatically will probably mean that greater contact in the green-house sector alone will take place and this is one aspect that will be of interest to Greek visitors at the forthcoming 7th Agritech agricultural mechanisation and technology exhibition to be held in Tel Aviv from the 10th to the 13th September of this year. The exhibition provides a useful opportunity to see what Israel can offer in the farm technology field and it does have a successful history.

The first exhibition was held in 1964 with the objective of introducing local Israeli farmers to the latest agro-mechanical equipment and in order to acquaint them with advanced technological techniques. When Israel's own agro-mechanical industry developed and advanced as a result of research and increased productivity, the exhibition was enlarged and in 1973 the first international exhibition was held to show what Israel could offer internationally in the field of advanced technological know-how and machinery in all spheres allied to agriculture.

Thus the majority of the agricultural technology available in Israel today was developed within Israel itself, and as a consequence, the growth of Israel's agriculture during the last decades has been dramatic.

Agricultural production is expanding annually by 4-6%, in real terms and this in face of a restricted cultivable area, a limited volume of irrigation water and a decrease in the availability of farm labour.

Israel's plants which produce agricultural machinery are generally medium sized, but generally compensate by flexibility. About half of these enterprises are owned and operated by Kibbutzim, and the other 50% are family owned ventures, which as a rule began as small repair shops. The rapid development and expansion of these industries to the stage where their products can compete on the world market is a remarkable feat in such a short period of time and has been put down to the high level of research and development carried out, a high standard of quality of production, and the skill of the workforce.

There will be a second equally important side to Agritech however in that the technical sophistication and the current state of Israel's farms will be shown to visitors from abroad by a series of tours to Israel's farms. Visits to many agricultural equipment manufacturers have also been arranged to examine lines of productions, and learn more of the products.

A second important fair of interest to Greece and held in Israel was the recent solar energy equipment exhibition which attracted much interest from Greece. Apart from a highly developed agricultural equipment industry, the Israelis have

also sophisticated know-how in the field of solar energy and much Israeli equipment is already imported into Greece. Also on the technical side should be mentioned Israel's Israttech exhibition covering metals and machinery held every two years in Jerusalem.

Regarding Israeli participation in Greek fairs and exhibitions there has recently been a shift of emphasis away from the Thessalonika Fairground, at which Israeli irrigation equipment had principally been displayed, towards the Index fair held in Athens. Concentrating more on specialised exhibitions in Greece, the Israelis plan a national stand of around 120 to 150 square metres for the next Index to display a wide range of technical and other products as well as the irrigation equipment previously shown at Thessalonika.

Accession

On the subject of Greek accession to the EEC it is not envisaged that this will have too great an effect as far as Israel is concerned. Though both countries rely to a great extent on the export of agricultural produce, their production tends to be more complementary both in type of product and in the areas in which their markets lie. Greece exports largely into the Eastern Bloc area while Israel supplies the EEC countries. Naturally following Greece's accession there may be some shift away from the Eastern Bloc by Greece and into the EEC but the change should not be too significant. Though Israel does produce peaches no exports are made which relieves any possible troubles in this sensitive area. Also with grapes and olives there is little direct competition.

The Israelis view any expected additional competition following Greek accession as being to the benefit of both countries and with this in mind it may well be of interest to Greece to look at the sophisticated marketing arm which

handles the export of fresh fruit and vegetables (and flowers) from Israel.

Israeli exports of practically all fresh agricultural products are (except for citrus fruit which is controlled by the "Citrus Marketing Board") channelled through "Agrexco". There are also other small exporters but their share in total export is limited. Exports are carried out either by air freight or by ventilated and refrigerated ships.

At Israel's main "Ben-Gurion" Airport a special air terminal for the export of fresh agricultural produce has been constructed and is operated by Agrexco which has also established a large coldstore unit near Ashdod Port for fruit and vegetable exports. For the export of citrus fruit specific pre-cooling installations have also been established at Ashdod and are operated by the "Citrus Marketing Board".

At the start of the process are the packing houses, built in the cultivation areas where fruits, vegetables and flowers destined for export by air cargo, are packed in cartons, loaded on platforms and transported by trucks to the air terminal. Here the platforms are unloaded by fork-lift, inspected, and transferred either to the cold or pre-cooling rooms or direct for loading on the cargo plane platforms for air shipment. In the export of fresh produce by sea freight, the fresh produce is packed in export cartons which are stowed on wooden platforms, then tied and shipped.

The trend in Israel is to export fresh produce by roll on, roll-off vessels where fruit destined for export is placed on wooden platforms, covered with wide mesh plastic cloth and bound by wires or plastic belts. Each platform

Israeli imports from Greece (in \$000)

	1978	1977	1976	1975	1974
Animals and products	42	6	-	-	1
Plants and products	1,648	2,054	2,909	2,089	308
Fresh food products and tobacco	4,531	3,311	2,534	581	2,802
Mineral products	224	249	192	41	137
Chemicals	436	396	382	1,457	315
Plastics and rubber	98	85	83	95	221
Leather	111	320	242	87	126
Wood and forestry products	8	1	-	-	16
Paper and products	43	58	35	115	10
Textiles and products	2,099	455	346	196	237
Shoes	35	21	-	17	13
Processed stone, gypsum and glass	27	19	16	50	1,699
Metals and products	1,582	266	177	353	472
Machinery, inc. electrical	772	268	388	220	109
Boats	65	7	107	18	14
Optical measuring instruments	38	37	46	45	29
Others	-	63	-	-	29
Unclassified	11	11	248	291	5
TOTAL	11,901	7,691	7,779	5,635	6,543

■ a unit pack for handling by fork-lift in the roll-on roll-off operation.

The installations and facilities for the export of fresh produce established at the Ben-Gurion air terminal comprise:

- Reception and unloading facilities for fresh produce arriving from the packing houses for export.
- Quality control facilities for Government and Agrexco inspectors.
- Cold storage rooms for holding the fresh products before air shipment.
- Pre-cooling rooms for rapid pre-cooling, when needed.
- Loading facilities on cargo plane pallets.
- Re-packing facilities for produce that might occasionally need it.
- All administrative services including a computer centre for registration, payments, etc.

Of particular interest is the citrus pre-cooling plant installed near to Ashdod Port which can handle full truck loads of fruit on one master platform. In the citrus packing houses the fruit is packed in cartons which are then placed on wooden export platforms. The trucks which transport fruit from the packing house to the citrus terminal use a "master platform", made of iron, which is placed on the truck and on which the individual wooden platforms with fruit cartons are loaded.

The "master platform" is lifted from the truck by a crane and taken to the storage place inside the cold store. This system is very similar to the handling system for containers and has the same advantages of rapid handling for big lots of fruit.

The sophistication of Agrexco's operations is not only in the handling of produce but also in the actual marketing side. The organisation is kept in constant contact with markets in Europe through a (computerised) network of branches which feed back information on what products are required and where.

Greek imports from Israel (in \$000)

	1978	1977	1976	1975	1974
Ships	—	1,350	2,600	2,950	3,963
Unprocessed cotton, nuts	4,417	8,640	1,657	2,555	2,955
Fish	1,081	2,008	408	—	—
Bananas, avocados	96	12	3	4	139
Seeds	216	195	63	—	—
Calcium phosphate	555	613	68	667	82
Bean husks	2,626	3,765	1,360	1,211	1,545
Wines, soups	623	48	2,400	3,455	2,413
Thread (tops), clothes	5,716	6,923	5,030	4,760	5,284
Confectionary	229	290	201	97	163
Packaging	339	179	135	144	193
Books	55	2	2	1	1
Plastics and rubber	1,523	1,473	789	728	1,176
Chemicals					
(inc. agricultural)	14,145	20,654	7,265	6,388	3,743
Glass, ceramics	258	310	126	182	138
Diamonds	1,155	270	108	—	—
Primary metal products	137	208	128	265	217
Tools and metal products	1,183	280	514	675	571
Machinery and space parts	7,975	2,007	980	400	1,170
Electric and electronic equipment	4,703	490	1,399	3,528	236
Others	735	215	556	424	678
Wood and forestry products	14	—	1	9	4
TOTAL	47,782	49,935	25,715	28,443	24,671

* Including refinery products valued at \$15,799,000 in 1977 and \$8,467,000 in 1978.

TRADE DEFICIT FIGURES RELEASED

Athens BUSINESS & FINANCE in English 18 Aug 79 p 4

[Text]

THE ominous upward trend in Greece's level of imports continued in June and the price index also jumped to new heights in July. Coordination Minister Mr Mitsotakis confirmed that the cost of living increased by 1.3 percent July, normally a period associated with a drop in the index, while in July 1978 it marked a drop of 1.4 percent.

Following the July price index increase, inflation seems to be running at an annual rate of 19.9 percent and it is estimated that it will rise to above 23 percent by the end of the year. The January to July consumer price increase was 12.5 percent against just 4.1 percent during the same period in 1978.

According to Bank of Greece official statistics, imports were 43.9 percent higher in June 1979 compared with June 1978 and foreign exchange payments amounted to \$342 million. There was an unprecedented increase in the deficit of the balance of current transactions (trade deficit and foreign exchange from tourism, shipping, immigrants' remittances and inflow of foreign capital) which in June this year was at a level 119.1 percent higher than at end June 1978 (see table).

Also excessive, though perhaps not surprising, was the foreign exchange expenditure for oil imports which in the January to June period this year amounted to \$908 million, 64.2 percent higher than the level of expenditure in the same period in 1978 when the country paid \$553 million for its oil.

This flood of imports on the one side and the large payments as a result of increased crude oil prices on the other would have effected the balance of payments far more seriously had there not been simultaneously a significant increase in the country's receipts from invisible sources and inflow of capital. According to Bank of Greece data, during the month of June 1979 compared with June 1978 the following increases were noted:

Invisible receipts in the January-June period 1979

Source	Actual increase over January-June 1978	% increase over January-June 1978
Tourism	\$156 million	20.0%
Shipping	\$114 million	16.3%
Emigrant remittances	\$85 million	16.4%
Private capital	\$35 million	52.2%
Emigrant capital for land purchase	\$42 million	31.3%

Greek balance of payments in first half 1977, '78 and '79 in \$ million

	1977	1978	1979
Imports	3,286	3,506	4,707
Exports	1,339	1,373	1,896
Trade balance	- 1,947	- 2,133	2,891
Invisible earnings	1,548	1,741	2,112
Invisible payments	423	481	607
Balance of current transactions	- 822	- 873	1,356
Net capital movement	804	703	824

CSO: 4920

NEW BILL FAVORING SHIPOWNERS RATIFIED

Athens BUSINESS & FINANCE in English 4 Aug 79 p 29

[Text]

THE new Bill aimed at attracting Greek shipowners back to Greece passed unhindered through Parliament last week and will come into force two months after its publication in the Government Gazette.

The Bill aims at attracting rather than obliging Greek shipowners to operate through Greek companies and the Merchant Marine Minister on the occasion of the Bill's passage through parliament outlined the reasons why international conditions had led to the requirement of establishing further Greek shipping companies.

The object of the law, Mr. Kefaloyannis reported, was the "Hellenisation" of shipping companies and the creation of a form of Greek company capable of offering Greek owners the same advantages as were offered to foreign companies in the shipping industry.

The Minister pointed to several specific reasons which had contributed towards introduction of the new Bill. Firstly, he noted, UNO, through its UNCTAD organisation and under pressure from the developing countries, was promoting the ratification of an international treaty aimed at imposing a "genuine link" between the flag of a ship and the nationality of its owner or the nationality of the company which owns it. "When this international treaty is ratified", the Minister

noted, "it will not be permitted to maintain the existing regime—that is, to hoist the Greek flag on ships owned by foreign companies."

A second reason for the Bill's appearance is that in compliance with treaties on tax evasion and the avoidance of double taxation, which Greece has signed in the past and which will probably become more commonplace in the future, citizens of the signatory nations are reciprocally exempt from double taxation. In the case, however, that the owner of a Greek ship is a foreign company there arise important problems connected with whether the parties are liable for exemption or not from double taxation.

A most important and third reason which required the introduction of the new law is Greece's accession to the European Communities. It is reasonable to conclude that the nine EEC countries will not tolerate for long the two-fold existence between the flag and the nationality of the owner.

"If one looks at the 3,100 ship-owning companies for Greek ships existing today," the Minister noted, "2,800 are foreign and only about 300 are Greek. From this you will understand the necessity for the new Law."

"The form of the new shipping company," Mr. Kefaloyannis continued, "does not cover only the needs for the

safeguarding of conflicting interests within the shipping company. On the contrary, the law gives sufficient protection to third parties which have transactions with the company. The provisions regarding the registry and the entry into it, of names of representatives and the activities of the companies, constitute positive elements for the security of transactions."

The structure of the new law follows that of Law 2190/1920 concerning the establishing of corporations, with suitable adjustments, additions and limitations which were thought advisable introduced in order to establish a more flexible form of company suitable for shipping requirements.

The tax treatment of the new company is the same as that currently experienced by existing forms of shipowning companies.

In the Minister's view, one major development associated with the new law was the establishing for the first time of a Greek Register which "constituted the best form of publicity for the companies involved in subjects concerning the relations of the company with third parties. The register will contribute decisively to the security of those dealing with these companies."

The Bill provides that only Greek-flag ships can be owned by the new form of shipping company which must either own or manage ships under Greek flag and not become involved in any other activity. The new companies will be a form of Joint Stock Company (Societe Anonyme) with its incorporation and operation procedures simplified to a great extent. No government permission is required for a shipping company's operation.

A minimum capital requirement of 300,000 drachmas is provided for and less than 50 percent of the company's shares may be held by foreign shareholders.

SOLAR ENERGY FOR AGRICULTURE

Athens BUSINESS & FINANCE in English 11 Aug 79 p 2

[Text] A wide-ranging exploratory programme for the increased use of solar energy in hothouses will be applied by the Ministry of Agriculture next October, the main target of which will be the production of early vegetables at a low cost and of good quality.

For the above purpose, Deputy Minister of Agriculture, S. Tataridis signed a decision last week which authorises a total of 10,800,000 drachmas to be spent for the construction and installation of 30 greenhouses, covering an area of 1/2 strema each, as well as the procurement of the equipment and instruments necessary to carry out the programme.

According to a statement made by Mr Tataridis, new solar energy heating systems will be experimented with in these greenhouses, so that results can be compared with other systems presently in use, mainly electrical heating.

The relative experiments will be made in 6 regions of the country where early vegetables are cultivated (Salonika, Amalias, Kalamata, Ierapetra, Messara, Irakleion, Khania) on the responsibility of the local Agricultural Research Institutes of the Ministry of Agriculture and under the supervision of the Professor of Agricultural Structures of the Athens Agricultural University.

The programme comes under the National Research and Technology Programme of the Ministry of Coordination, from which it is scheduled to be financed by additional appropriations to the amount of 10 million drachmas.

CSO: 4920

OLYMPIC AIRWAYS TEN YEAR PLAN REPORTED

Athens BUSINESS & FINANCE in English 4 Aug 79 p 30

[Text]

OLYMPIC AIRWAYS last week made known its ten year expansion plans reporting that, "should the assumptions under which the expansion programme is based be realised," Olympic's investments by 1984 should reach \$1 billion. Plans are for the replacement of some of the airline's existing planes and the purchase of further Airbus A 300 Boeing 737 aircraft with the aim of obtaining a saving of 25 percent in fuel per seat offered over and above the savings to be derived from "improved marketing and sales appeal."

Olympic's sometimes uneasy path since nationalisation in 1975 has been severely hampered by ever-increasing oil prices and personnel troubles which have contributed to the cut-back on certain routes and worsening financial results in the last few years. The airline

showed a 36 million drachma profit in 1977 which turned into a loss of around 45 million last year. This year's loss is expected to be in the region of 600 million drachmas.

Against this troubled background, however, the Airline's new management has been trying to get to grips with the problem by streamlining operations and cutting down on unprofitable services. A step in this direction was the introduction a few months ago of a new computer booking service at Olympic's offices in Athens which is scheduled to begin operations in the very near future. Both internal and international fares have also been increased to lift revenues, though the increases themselves have largely been in line with those of other international carriers and their effect greatly eaten away by increased fuel prices.

The content of the ten year programme, as announced last week to a group of high-ranking government officials which included Coordination Minister Mitsotakis, Communications Minister Papadongonas, Finance Minister Kanellopoulos and Commerce Minister Panayotopoulos, was briefly as follows:

The gradual replacement initially of the existing fleets of Boeing 720 and US11A aircraft and eventually of the Boeing 707 aircraft, which under present and foreseeable future conditions Olympic considers uneconomic to operate.

- The increased use of Airbus A-300 aircraft, particularly in the European sectors and on certain major domestic routes.
- The use of Boeing 737 aircraft mainly on domestic routes and on certain international services.
- For long-haul (overseas) routes, Olympic's management will decide by the end of this year which aircraft

types will be used. The expansion programme provides for six to eight long-haul aircraft to be in service by 1984, to be increased to twelve by 1990.

Within the fleet renewal drive, Olympic Airways has ordered:

- Three Airbus A-300 aircraft to be delivered by 1980.
- Five Boeing 737 aircraft to be delivered in 1980.

Simultaneously, the airline has options for 1982 (but hopes for 1981) delivery of an additional two Boeing 737s, whilst by 1983 (the earliest possible delivery date) 5 more A-300s will be delivered. As was pointed out by Olympic management during the programme's presentation the replacement of certain types of aircraft by more modern equipment is considered vital to the airline's progress because of the continuously rising cost of fuel and problems associated with its availability. Within the development programme it was also emphasized that Olympic will reactivate its Australian and Canadian services and simultaneously expand its network to other areas including, possibly, Japan, and elsewhere if circumstances warrant. By 1984 the company's fleet will consist of 40 aircraft, to be increased to 53 by 1990. It is expected that the years after 1985 will see a gradual phasing out of Boeing 727s by the airline. If the programme's goals are achieved, Olympic reports, the passenger seat-kilometers available will be doubled by 1984.

It was also reported that the Company reorganisation programme as well as the personnel training programme in cooperation with Swissair are proceeding satisfactorily.

Over 60 million has been budgeted for the 1979-1980 building and construction programme for the updating of

Olympic's facilities and for the purchase of modern up-to-date equipment and materials aimed at increasing productivity. It was also emphasized by the airline that, in order to cope with the fluctuating operational needs, Olympic will continue to hire seasonal staff in order to minimize expenses.

With the purchase of new aircraft, savings of the order of 25 percent in fuel per offered seat are expected over and above the gains to be derived from the improved marketing. Olympic estimates that, with the new fleet composition, by the year 1981 Olympic's expenditures will increase by 80 percent whilst passenger traffic and consequently revenue should be doubled.

CSO: 4920

BRIEFS

MILITARY SERVICE FOR FATHERS--Minister of National Defence Angelos Averof signed a decision yesterday that married recruits now serving with any of the Armed Forces, who have up to three children, can have their military service reduced as follows: Recruits with one child will serve 18 months; recruits with two children serve 14 months; recruits with three children will serve 12 months. The decision becomes effective as of October 1st this year and concerns all already serving in the Forces. [Text] [Athens ATHENS NEWS in English 10 Aug 79 p 4]

PRINOS OIL DRILLING LOAN--The Ministry of Coordination announced yesterday that an agreement has been concluded in London for the grant of a loan of \$245 million to finance the Prinos oil drillings. The Hellenic Industrial Development Bank (ETBA) is one of the banks contributing to the loan. Others are the Canadian Imperial Bank of Commerce, the Citibank, the Westfalenbank, the Banque Nationale de Paris and the Swiss Bank Corporation. [Text] [Athens ATHENS NEWS in English 12-13 Aug 79 p 4]

BOMBING AT BUS OFFICES--A group calling itself the "Revolutionary People's Struggle (ELA) took responsibility in telephone calls to the press yesterday for the explosives that destroyed the offices of the city bus corporation on 16, Metsovou Str. Although damage was severe (cars outside the building were also damaged during the explosion) nobody was hurt. [Text] [Athens ATHENS NEWS in English 12-13 Aug 79 p 4]

CSO: 4920

SOCIALIST LEFT FACES DEBATE ON PARTY'S FUTURE COURSE

Oslo AFTENPOSTEN in Norwegian 4 Aug 79 p 3

[Commentary by Ottar Jarlsrud: "Red or Green Socialist Left?"]

[Text] A socialist Norway--what will it finally look like? As far as SV [The Socialist Party of the Left] is concerned clarification appears to be necessary, but the debate up to now has uncovered deep conflict between a so-called econo-political direction and the more dogmatic marxists. The result of this ongoing difference of opinion can be further defections from SV, or a new struggle for cooperation on the left in Norwegian politics. The crux of the matter is the econo-socialist idea of a strong increase in community responsibility and independence, to mobilize the masses.

A need for new thinking, and for solidifying the concept of "socialism" has long been felt within the SV. Many have felt that Marxist upbringing gives insufficient answers to the challenge of tomorrow's Norway. And in recent years the party has worked to reach half of the support received in the successful election of 1973.

The debate about the "Socialism in Norway" has put on speed since the party congress in March of this year. Rune Slagstad, who was elected as new deputy chairman, gave a speech in which the terms were set forth for the further exchange of views. It is interesting to note that it was the econo-socialist view which came out the most clearly. There was a strong statement of the possibilities for local communities; Slagstad himself used the term "community socialism." Earlier, Member of Parliament Ottar Brox was another spokesman for this attitude.

To begin with it is believed that public support efforts should be channeled through the communities, and not only to individual firms. The local community will thus decide how much will be used to prepare new industrial areas, forests, new agricultural areas and to stimulate existing businesses. The idea is that a strong development of the individual community's duties

and strength will create more consciousness on the local level. In this way community socialism will both sharpen "the struggle for interest at the grass roots level" and the community as such will activate itself in the fight against capitalism and other forces outside the local community.

For the rest, most businesses will become the property of the people. This is defined as the joint ownership of the workers' own production, which is something entirely different from state owned enterprises. A decentralized labor force will thereby be made secure. Parliamentary authority must be drastically strengthened in the future socialist Norway, after which the socialist planned economy will develop.

These thoughts are largely built on the Swedish communist Jorn Svensson's book "You Shall Take the Leadership and the Power" which was published by Pax Forlag a couple of years ago. The term "revolution" is very carefully avoided. Sooner or later, and probably as an "historical necessity," our existing mixed economy will definitely be abandoned. It is pointed out that the decisive transformation cannot possibly happen through the actions of existing management.

But community socialism strongly conflicts with the more traditional thinking about labor rule. For a revolutionary socialist party the job will be to accelerate and strengthen the organization as quickly as political conditions permit, it is claimed on another flank. SV's demand for worker power in the so-called crisis program will be preparing the way for further organization.

Socialists must take the leading role in the class confrontation, and not in geographic entities. That is the theme of the main objection from the more orthodox circles of SV. The concept of the "local community" or "community joint ownership" is employed to conceal the many conflicting interests which make themselves felt. Furthermore there is apprehension that the workers, and for that matter the businesses, will be split against each other in this model of community socialism. The following key point was brought out in the party organ NY TID: "Do we want class struggle or civil war?"

In addition, members of SV with experience in local politics have declared strong doubts that the local organs are especially suited to take care of the interests of the grass roots and the oppressed, even if these organs should receive increased power and influence.

Today's debate plays out some of the inner tensions that the complex SV organization has lived with during all of its existence. In which framework shall one take a position on the question of centralizing or decentralizing power? State capitalism or worker-owned businesses? These and a number of other problems are subjects for continuous conflict.

The debate over socialism in Norway is probably only in its infancy. In conflict with their childhood education the participants see the relationship

of mankind to his productive power as the basis for all society. Gradually the perspective should widen. What latitude will they give to the middle-class parties, organizations of other kinds, freedom of expression, cultural life? How will the socialist state prevent backsliding to capitalism, for example, with a middle-class election victory? What relationship should Norway and our economy have the world around us? These questions should be enough to work with.

Differences of opinion about community power and organization will undoubtedly have great importance for SV's future development, and not the least for its relationship to the Labor Party. But beyond that, the debate is hardly of any immediate importance.

9287

CSO: 3108

KEY ISSUES IN LOCAL ELECTIONS OUTLINED

Oslo AFTENPOSTEN in Norwegian 11 Aug 79 p 3

[Commentary by Eivind G. Karlsen: "Local Elections a Test of Political Strength in the 1980's"]

[Text] The housing shortage in our largest cities will probably be the dominant theme in this year's election campaign, which starts in earnest next weekend. It will primarily involve local affairs and controversial questions. But the economic situation and outlook for the country and the municipalities are again about to become focal points. The struggle for the voters' confidence and favor will also for that reason receive a distinct flavor of national politics. And the election on 17 September will be the important "dress rehearsal" before the still more important election of Parliament in 2 years. We are moving toward exciting weeks and months in Norwegian politics!

A series of issues will be taken up in the municipalities and counties: new county boards will be elected simultaneously. Let us mention the following issues: care for the elderly, family-, school- and day care policies, fishery and industry problems, better housing, traffic safety, greater security for people in the cities, mass communication and transportation.

The Labor Party will especially fight to regain lost strength in the large cities. The shortage of housing construction will therefore be emphasized heavily, especially in Oslo. The conservative and middle-class majority recognize the weak results in this field, but are not at a loss for an answer: bigger buildings have been built than before, undoubtedly in response to home-seekers' demand for improvement of standards. The middle-class leadership began their 4-year period with a lack of prepared building sites (after the Labor Party period of leadership), and moreover government authorities were faced with a tightening of limitations on loans imposed by the Home Loan Bank. Among the unapproved loan applications in the bank now there are about 1,800 from Oslo. Furthermore the labor market in the

construction industry has been very tight in this area. The Labor Party's assertion of a "housing scandal" in the light of this is rather cheap political agitation. It can also have a rather successful effect.

Mayor Albert Nordengen and the middle-class majority have much more to pursue in for example the sociopolitical sphere where the size of the budget in itself demands a large willingness to contribute and high priorities: in 1976 the city's social budget was 978 million kroner, and for this year it is 1,565 million. Nevertheless more should be done, for example expansion of hospitals, where it is not a matter of money but of personnel. The contribution in this area will continue to rise, because among other things there is an increasing proportion of elderly among the city's population. The youngest are not forgotten either--the expansion of day care centers has moved faster than ever and has produced an increase of 3,000 places. But of course many more are needed before the requirements are covered.

The election campaign in the social area will probably involve as much the "Christian good causes" paragraph and the working and employment conditions law as the physical expansions. In particular the Christian Peoples Party and the Labor Party are in opposition on this issue.

School policies will also be debated, not the least because in many places the over 240,000 first time voters may have a decisive effect on the election results.

The economy of the municipalities in the autumn of last year was worse than ever, according to reports. More places operated with deficits of millions. Since their incomes this year have in many places been larger than expected, they will have the possibility to improve the economy in 1980.

But also in the municipalities there has been price control; the prices for transportation and other municipal services have stood still for nearly a year. Will it be possible to eliminate this at the end of the year? The chairman of LO [Norwegian Federation of Trade Unions] has intimated a clear "no" to AFTENPOSTEN. In any case that is one of the questions which now arises with full force. And what about government taxes?

The main question can--perhaps even more fruitfully--be put this way: who shall now have control over whatever (little) we can afford because of increased public activity, the state or the municipalities?

Many say that the government and Parliament must undergo an election on that issue in connection with the economic reserve for next year. In spite of the improvement of billions in our overseas economy and strongly increased export trade, there are still threatening clouds before the longed-for improvement in business conditions comes in the world's economy, especially because of the increased oil prices. In the U.S. reversals are expected sooner than advances, according to the latest reports. And in Britain--one of our most important trade partners--it will take some time for the conservatives' new economic policies to result in increased activity.

Wage and price controls will however be lifted at the end of the year, 3 months before the new tariff decisions come into effect. The danger of a flood of price and wage increases must be fought against. We must--at almost any cost--maintain control of the economy. That is therefore the reason to expect that there must first come a new urgent appeal to all groups to show moderation when the Labor Party, the government and the LO begin their election campaigns in Trondheim in a week and a half.

The government party will undoubtedly attempt to paint a picture of itself as the united, responsible party which can govern the country. It can give positive results, even if the election is a matter of city governments and county boards. On the other hand, they fear that the opposition will be successful in creating the impression of unrest and inner divisions in the party and its leadership. In such circumstances if one can come through the election campaign "with a whole skin," much has been gained. And when the voters have had their say, observers both inside and outside the Labor Party expect that there will be changes in the Nordli government.

However desirable it might be, one can not expect that there will be a united declaration from the three middle-class parties before this year's election. That thought already perished last year. But in informed quarters it is seen as likely that there may be a united declaration from the important local politicians where they have cooperated during this period, and they are expected to declare their willingness to insure a middle-class majority through joint efforts and also to govern together during the next 4 years.

The political polls indicate that the Labor Party will attain a fairly good result compared with the election of 1975 when it received 38 percent of the votes, but lost a number of majority and chairman positions. The Conservative Party, which that time had 21.8 percent promises solid progress in any event and will produce its best post-war result.

The Center Party invites special interest: it has bigger representation in the municipalities than the other middle-class parties, but realistically they have little chance to retain the 10.7 percent of the votes that they had 4 years ago. Possibilities for the party to repeat the parliamentary election result of 8.6 percent from 1977 should be somewhat better. Headed by its new leader the Center Party is gambling heavily on the local election campaign, among other things through an offensive based on fishery policies which can pay off in the coastal cities where the economy is weak and discontent is high. If the results are catastrophic compared with 1975, it can also weaken the middle-class power at the next crossroads--the parliamentary election of 1981. This is one of the most interesting aspects of the election of 1979.

NORWEGIAN POSITION IN JAN MAYEN CONTROVERSY DEFENDED

Oslo ARBEIDERBLADET in Norwegian 23 Jul 79 p 4

[Editorial: "Jan Mayen"]

[Text] The negotiations now underway between Iceland and Norway concerning control of capelin fishing around Jan Mayen are of a nature that we are not accustomed to in the dealings between the two countries. Seldom or never before have the viewpoints of Reykjavik and Oslo been so unyieldingly contrary to each other as in this matter. Usually matters in dispute between our two countries are resolved without any form of conflict.

As usual in negotiations over fishing matters the Icelanders have claimed emphatically that the fishing industry is the basis for the economic life of the country. Iceland has broad support for this claim in Norway. Despite the fact that our country is the opponent in a vital fishery question, it is seldom that opponents on opposite sides of the negotiating table are better understood than now. It is therefore because of this recognition of the importance of fishing to Iceland, and the desire to have the friendliest possible relations with that country, that Norway has taken a conciliatory line in the negotiations.

The Icelanders have raised doubts as to whether Norway has any right at all to set up a 200-mile zone around Jan Mayen. They have maintained that it should not be considered as an island in the traditional sense, but only as a rock in the sea. It has also been maintained that the population of Jan Mayen does not naturally belong to the island and does not support itself from the resources of the surrounding sea. The Icelanders contend therefore that there is no "natural" population there. This circumstance means that Norway does not have the right to establish a zone there. Iceland therefore wants to set aside the question of the fishery zone until the UN Conference on the Law of the Sea has issued the necessary clarification.

On its side, Norway has shown that Jan Mayen is Norwegian territory, and our own legislation authorizes the establishment of a 200-mile zone.

It is our opinion that there can be no doubt about Norway's right to such a zone. Iceland's arguments are not convincing according to international law and established practice. The central question is therefore (according to our opinion) not whether Norway has the right to set up a zone, but whether it is wise to do it at this time.

Until now in these negotiations Norway has shown a willingness to reconcile contrary interests while taking care of national interests and avoiding coming in conflict with Iceland. The government could, with the necessary legal authority in hand, have set up a 200-mile economic zone around Jan Mayen long ago. However we have first chosen to set up a fishery zone, which does not necessarily mean a strong national control of all resources in the seas. In addition we have said that we will not establish a fishery zone before fishing in the area reaches such proportions that it can threaten the resources. A large Soviet fishing fleet, which has now left the area, remained for a long time and fished in the intended zone area.

Fishing by third country boats, which we have feared, is therefore now a reality. In the negotiations, Iceland has so far not considered that third countries represent any threat. It has now been demonstrated however that there is reason to be aware of this circumstance. Iceland should gradually accept that a 200-mile zone is the best solution for themselves. We do not believe that there will be any great difficulty in reaching quotas, timetables for the start of fishing and sector assignments in the "gray zone" areas, if Iceland recognizes the necessity and the justice of a Norwegian 200-mile zone.

From certain sources we have heard lately that Norway is not acting like the great ocean imperialists by speculating on setting up such a zone around Jan Mayen. We honestly do not believe that this approach to the problem is especially relevant to the existing situation. A new system of international law of the sea is in the process of being constructed over the entire world, which among other things starts with 200-mile economic zones. Norway can not attempt any changes in the Jan Mayen affair. That would also of course have consequences on policies, past and present, in other areas where Norwegian interests are at stake. The guidelines for the policies which will be followed on the seas are being drawn up in the UN Conference on the Law of the Sea. It is there that these questions belong, and not on the specific issue of whether Norway should establish a 200-mile zone around Jan Mayen or not.

9287

CSO: 3108

STATE OWNERSHIP OF JAN MAYEN DATES ONLY FROM 1952

Oslo AFTENPOSTEN in Norwegian 3 Aug 79 p 4

[Text] Large portions of Jan Mayen were in private Norwegian ownership from 1921 until 1952, when the areas were purchased by the Norwegian Government for 174,000 kroner. Jan Mayen was occupied by the engineer and Prof Birger Jacobsen, who, in the manner of the best gold mining tradition, announced his rights to the island on two occasions in the 1920's, and had his right of ownership confirmed by a judgment of the Supreme Court in 1933. AFTENPOSTEN was informed by Harry Westrheim in NRK [Norwegian Broadcasting Company] that Germany was interested in purchasing the island before the war.

Icelanders' skepticism about the legality of Norway's claim in Jan Mayen has been in existence for a long time, something which has also been brought out in the recent conflict over fishing rights around the island. Norwegians have however claimed the island since the beginning of the 1920's, but the Norwegian Government as such acquired its first right of ownership to the entire island in 1952. And this circumstance undoubtedly contributed to confusion about the island's status on the part of foreign observers.

Westrheim told AFTENPOSTEN that Birger Jacobsen, who was born exactly 100 years ago and who was the son of Cabinet Minister Oscar Jacobsen, was a member of a company which called itself something like "The Anglo-Russian Grumant Mining Company."

This company was in search of mineral deposits in the Arctic, especially on Spitsbergen. Birger Jacobsen, who was himself interested in minerals, believed that there were "black diamonds" on Jan Mayen.

That was the real reason for his occupation of the largest island on a visit in 1921. One year later the Meteorological Institute in Oslo occupied small portions of the island to set up some barracks and take weather observations. Jacobsen did not give up, however, and in 1926 he returned to Jan Mayen with boundary stakes. In accordance with old tradition he made his claim by setting up his stakes, and his occupancy now encompassed the entire island.

The Supreme Court

The Norwegian Government also made claim to Jan Mayen, but did not receive approval from the Supreme Court, which on 3 May 1933 pronounced judgment in a lawsuit on the matter. By five votes against two Jacobsen was awarded sole ownership of large areas of the island, and thereby the issue was clarified for the first time.

Jacobsen's hope of finding "black diamonds" on Jan Mayen must have faded out through the years. After the judgment by the Supreme Court he announced his property on the "available islands" market, and was soon contacted by a potential buyer: the German Government. Hitler's naval advisers must have seen an important advantage in being able to use islands in the North Atlantic as bases. From these quarters pressure grew on the German Government to purchase portions of the island from the Norwegian. Jacobsen's price, 400,000 kroner, was quite steep, and furthermore a certain doubt arose as to whether Germany could purchase an island from a private individual. A group of German industrialists--some tobacco manufacturers among others--came into the picture, but the sale of Jan Mayen to German ownership was not realized before the war broke out. One of the causes was that Germany before the war had a shortage of foreign exchange, according to Westrheim.

Beginning in 1941 Norwegian soldiers were on Jan Mayen. Nordahl Grieg wrote some of his poetry and other works there. In 1942 Jacobsen died, and in his will he left the area to his sisters, Eva Steen and Astrid Dahle.

On 7 June 1952 the Norwegian Government bought Jan Mayen for 174,000 kroner. That happened in a secret meeting of the Parliament. Westrheim reports that he telephoned the library of Parliament to inquire whether that decision has been declassified, but the 27-year-old Parliamentary action is still secret.

Westrheim became acquainted with these facets of the history of the island during the 1950's, when he made several programs about Jan Mayen.

9287
CSO: 3108

SOVIET 'BERRY-PICKERS' FAVOR SITES NEAR MILITARY MANEUVERS

Oslo KLASSEKAMPEN in Norwegian 25 Jul 79 p 11

[Text] At Whitsuntide personnel from the Russian Embassy were removed from Tessanden Inn in North Gudbradsdalen by the security police. The reason was that a large home guard exercise was taking place nearby.

The home guard maneuvers included, among other things, the defense of a powerplant near Vinstra and Tessefalla in Vaga. The Russians arrived at the inn the day before the maneuvers and therefore were close by the power plant where the maneuvers were conducted.

Not the First Time

According to what KLASSEKAMPEN has learned this is not the first time Russian Embassy personnel have "visited" in connection with military maneuvers in this district. But Police Assistant Hoel of the Lillihammer Police did not want to comment on the matter.

At the Defense Department they are concerned about the travel activities of various foreign embassy personnel. The travelers are traditionally called "berry-pickers" or "fishermen." But their catch is usually close-ups of military installations and maneuvers, with details which cannot be obtained by surveillance satellites.

In addition this type of espionage provides details on changes in equipment, construction, leadership and knowledge of which installations and areas the military rehearses to defend.

USSR and East Germany

But military intelligence and security do not desire to make such things public because it often causes "difficulties" with the embassies concerned. It is also clear that there are two embassies which are especially active in this regard, the Soviet and the East German.

The maneuver area at Rygge/Valer in Ostfold had to be completely closed in 1977 because diplomats from different countries "visited" the area so diligently with cameras and fishing poles.

'No' to Konela in Tromso

This is also the reason why the security service advised against granting a building permit to the Russian automobile firm Konela for permission to build at Skattora on Tromso. It was expected that there would be extensive transport between parts of North Norway which the Defense Department uses for military maneuvers or where there are military installations.

A large area of Skibotn is also planned to be closed because the Defense Department is plagued by undesirable diplomats. Even through the military attaches are required to report their travels around Norway, most of the embassies have sufficient other personnel who can move around the country anonymously.

Thirty Soviet Diplomats Expelled

At the Soviet Embassy and Trade Mission today nearly 100 persons are assigned. In addition there are all those who conduct espionage from different Russian firms such as Koneisto and Konela. These have built up sales networks over the entire country and travel around without any form of control. It is claimed that there are 500 Russians traveling around Norway daily.

Since 1945 more than 30 Russian diplomats have been expelled from Norway for espionage.

9287

CSO: 3108

DISPUTES STILL MAR LUSO-ANGOLAN RELATIONS

Lisbon EXPRESSO in Portuguese 21 Jul 79 p 6

[Text] The economic-financial dispute between Portugal and the People's Republic of Angola is again being discussed, in connection with the first meeting of the permanent committee envisioned in the cooperation agreement concluded between the two countries. In the opinion of the Angolan Republic that dispute should be brought to a halt since the damage wrought on the colonized territory by a long period of colonization cannot be measured in economic terms.

Without entering into an analysis of a political nature, in this article, we present merely in technical terms some of the aspects of the question that has been causing so many problems in Portuguese as well as Angolan circles.

We have only a (semiofficial) estimate of the magnitude of Portuguese economic and financial interests in the present People's Republic of Angola, dated at the end of 1975 and reported to the United Nations, which indicates a total volume in excess of 190 million contos at 1973 prices. (Updating this figure to current prices would bring it somewhere around 400 to 500 million contos.)

Among these interests, particular significance attaches to the participation of the Portuguese state in more than 70 companies based in that country; that is, in practically all of the large companies that existed there in 1974. Moreover, the nationalization of banking, of insurance companies and the large Portuguese economic groups made the direct or indirect participation of the Portuguese state in those companies much greater. The enumeration that follows is merely by way of example and only aims to give an approximate idea of what is regarded in certain circles to be the Luso-Angolan economic-financial dispute.

Banks and Insurance Companies

The participation and interests of the Portuguese state in Angolan corporations embrace six banks and eight insurance companies.

The Portuguese state held a share of more than 60 percent of the corporate capital of 425,000 contos in the Commercial Bank of Angola; 5 [second digit indistinct] percent of the 300,000 contos of the capital of the Commercial and Industrial Credit Bank (connected with the former Borges Group) belongs to Portugal; the Portuguese share in the Tetta (?) Standard Bank of Angola is 44.4 percent of the capital of 150,000 contos; Portugal owned about 49 percent of the 170,000-contos capital of the Interunido Bank. Despite having its headquarters in Portugal, the Pinto e Sotto Mayor Bank had quite a large network of branches in Angola which made it the second largest commercial bank in the territory; The National Development Bank had facilities in Luanda and Nova Lisboa with a capital involved in the order of 500,000 contos.

As for the insurance companies, only the listing: Angola Insurance, Angolana Insurance, Confianca and Mundial Insurance, Atlantica Fidelity, Africa Guaranty, Mundial-Confianca, National of Angola and Universal of Angola.

Lobito Mining and Ultramar Cellulose

The Portuguese Treasury held 44.25 percent of the corporate capital of the Lobito Mining Company (about 430,000 contos); the Angolan state controls 41.8 percent (405,000 contos).

In the meantime, in this case, the company's debt to the Portuguese state assumes special significance. In 1974 it was in the order of 5 million contos, to which must be added 1.5 million contos of funds lent for various operations.

With regard to the Portuguese Overseas [Ultramar] Cellulose Company, the Portuguese state had a share in excess of [first figure indistinct] 0 percent of a capital of 325,000 contos. The credits granted by the National Development Bank to that company located in the Upper Catumbela were in excess of 600,000 contos, twice higher than those granted by the Bank of Angola, which was the second creditor.

As for the Upper Catumbela Hydroelectric Company, responsible for the electricity furnished to Huambo, Benguela and Lobito, a group of several Portuguese stockholders held 11 percent of the capital of 50,000 contos; about 8 percent was controlled by companies which presently belong to the public sector in Portugal: Imperio Insurance, Sugar Company of Angola, Angola Agricultural Corporation of Casseque (?), Sefel, Sonefe, etc.; the Angolan treasury holds 36 percent and 2 [second digit indistinct] percent belongs to the former Bank of Angola.

The Case of Sonefe

Another quite significant case regarding Portuguese interests in Angola is that of Sonefe. This company, which operates the Mabubas dam (on the

[name indistinct] River and the Cambanbe (on the Cuanza River), has a capital of 600,000 contos, 31 percent of which was controlled by Portuguese enterprises, (25 percent by the public and 6 percent by the National Pension Fund). The shares of the Angolan and Mozambican states are 58 and 4 percent, respectively. It should also be noted that the National Development Bank branch in Mozambique holds 4 percent.

Sonefe, whose assets in Angola were estimated at about 2 million contos, controlled 80 percent of Electric Company of Lobito and Benguela (CELB), a large distributor of high-tension power, the corporate capital of which is 50,000 contos.

Fisheries and Shipping

The National Association of Fishing Trawler Owners (SNAPA) (9,900 contos), the former Guild of Fishing Trawler Owners (3,400 contos), the Commercial Bank of Angola (2,630 contos), and the former Bank of Angola (5,950 contos), controlled 74 percent of the Association of Fishing Ship Owners of Angola (ARAN) (30,000 contos of capital), which also benefited from a loan of 96,500 contos from the Fund for Refurbishing and Refitting the Fishing Industry. ARAN operated out of the [cold ?] waters of southwest Africa and had cold storage facilities in Mocamedes.

The term "controlled" refers to the fact that several Portuguese nationalized corporations controlled more than 50 percent of the capital of 50,000 contos of the Angolan Shipping Company (Navang).

Diamonds and Oil

A case very often cited is that of the Diamond Company of Angola, one of the largest gem diamond producing companies in the world. The Portuguese banking industry held 140,000 contos of its corporate capital of 865,000 contos, with 90,500 contos belonging to the Bank of Angola and [two digits indistinct] ,000 contos to several Portuguese insurance companies.

Petrogal holds 61 percent of the votes in the general assemblies of the Portuguese Corporation for Oil Exploration [acronym indistinct] (380,000 contos of capital).

Angolan investments in oil prospecting in the basins of the Cuanza and the Congo in association with Petrangol and Texaco already amounted to 2.3 million contos. In the area of fuel distribution, Angola held second place (22 percent) in the market, except for butane gas, in which it held first place, with 51 percent of the market.

Farm Interests

The Sugar Company of Angola, which the Sousa Lara family sold to the former Espirito Santo Group in 1972, is one of the large sugar companies

in Angola, which the nationalizations in Portugal brought into the orbit of the public sector. The company produced an average of 35,000 tons of sugar per year, and with a capital of 337,500 contos it represented an investment estimated at close to 800,000 contos.

The former Espirito Santo Group also controlled another sugar company, the Cassequel (?) Farming Corporation (Catumbela) which produced an average of [figure indistinct] ,000 tons of sugar per year and also had an investment volume of around 800,000 contos. The Portuguese state also controls 35 percent of the corporate capital of the Farming and Livestock Company of Angola (CAPA), which was the largest Angolan livestock company.

At the same time, the overwhelming majority of the capital of the Cabinda Company (timber concessionaire in that territory) belongs to Portuguese enterprises, notably the General Savings Bank and the National Development Bank; the Angolan treasury holds only 3. [digit indistinct] percent of the corporate capital.

The Angolan Vegetable Oils Industry (Induve), the largest vegetable oil producing company in the territory, located in Cacuaco (Luanda) and with a capital of 100,000 contos, belonged to the former CUF Group, and is presently included in the list of Portuguese state interests in Angola.

The Portuguese treasury and the Commercial Bank of Angola, National Development Bank, Portuguese Bank of the Atlantic and Union of Portuguese Banks (former Pinto de Magalhães) control the Colonial Development Cotton Corporation, one of the largest textile factories in Angola, with mills in Boavista (Luanda), the corporate capital of which was 100 percent Portuguese.

Beer and Cement

In the area of the former Central Brewery Corporation Group (the present Centralcer) there was the Union Brewery Company of Angola (Cuca), the largest brewery in Angola with plants in Luanda and Nova Lisboa. With a corporate capital of 300,000 contos, Cuca always pursued a policy of constant reinvestment as a result of which it created a small business group in the farming, commercial and industrial areas (the shares of the 23 companies were valued at a nominal value of close to 1 million contos.

In the cement sector, the combination of interests of the Portuguese state in Angola is also large, embracing the two existing plants. The Portuguese Secil and the Commercial and Industrial Credit Bank held a good part of the capital of the Overseas Secil (Luanda) with a capital of 400,000 contos and a volume of investments in excess of 1 million contos. The Cement Company of Angola (Lobito) belonged to the group of Portuguese companies headed by the Cement Enterprise of Leiria (presently integrated into Cimpor).

Tobacco and Tourism

With the nationalization in Portugal of Intar, the two Angolan tobacco companies became linked to the Portuguese state: Overseas Tobacco Corporation (SUT) and Tobacco Industrial Corporation of Angola (SITAL), which produced 2,500 and 1,200 tons of hand-rolled tobacco per year and have corporate capitals of 130,000 and 22,000 contos, respectively. The two modern plants are located in Catete (SUT) and Benguela (SITAL).

In the field of tourism and related activities two cases deserve mention; that of the Overseas Tourist Corporation (Sotul) whose capital of [first digit indistinct] 05,000 contos in large part belongs today to the Portuguese state as a result of the direct and indirect nationalizations; and that of the Tourism and Transportation Agency of Angola, (Navetur) 55 percent of the capital of which is controlled by the Portuguese state.

Different Cases

To complete these examples of Portuguese interests in the People's Republic of Angola, we will mention below a handful of cases with regard to which the available compiled information is relatively more meager:

--The share of the Portuguese state in the corporate capital of the TAAG (120,000 contos) was 29 percent;

--The investment made by the National Steel Company in the rolling mill it had in Luanda is estimated at approximately 200,000 contos;

--Sorefame has the largest machine-building plant in Angola, in Lobito, as well as industrial interests in the field of shipbuilding and ship repair in the Luanda area;

--The investments made in Angola by the Portuguese Radio Marconi Company, 75 percent of the capital of which is controlled by the Portuguese state, are also very large (the satellite communications system alone cost about 80,000 contos);

--The former Borges Group controlled the only tire factory that existed in Angola, the Angolan Rubber Manufacturing Company (Mabor);

--The Portuguese state also has interests in the Industrial Fabrics Corporation of Angola (Siga), the corporation capital of which is 70,000 contos;

--The Overseas Manufacturing and Industrial Company (Confabril) was the company that represented the interests of the former CUF Group in Angola and all of its corporate capital of 50,000 contos belongs to the Portuguese state;

--Portugal controls 40 percent of the capital of Lellofloc, an office furniture company of Luanda and has a 46.4 percent share in the Enterprise Promotion Corporation (Proeza);

--The SUPA and PA, Management and Control (Pao de Acucar Group) control 49 percent of Africa Supermarkets (Africados), proprietor of the Hipermercado of Luanda in which the Portuguese Financing Corporation also holds a share of 24 percent;

--Finally, there is the share of 88 percent which the Portuguese state holds in the Angola Copper Company, which is the concessionaire of the north Angolan deposits as a result of the nationalization of the interests of the former CUF Group.

8711

CSO: 3101

OIL REFINERS IN GOOD SHAPE, HARD TIMES TO COME

Madrid ACTUALIDAD ECONOMICA in Spanish 30 Jun-6 Jul 79 pp 63,65

[Text] Spanish oil refineries ended 1978 with good results. Facing a crisis expected to be much more severe than previous ones, ENPETROL, CEPESA [Spanish Petroleum Company], PETROMED, PETRONOR and PETROLIBER appear optimistic and convinced that they have so far managed to weather the storm.

All Spanish refining companies finished the 1978 business year with profits, although they felt the effects of the economic crisis more heavily than in previous years. Thus while CEPESA recorded profits of 2.233 billion pesetas--as opposed to 2.312 billion in 1977--PETROLOBER's profits declined by 6.7 percent in comparison to 1977, with a total profit of 673 million pesetas for 1978.

PETROMED's records showed a surplus of 721 million pesetas--18.6 percent higher than in 1977--and ENPETROL passed the 1.2-billion mark.

The Administration's Fear

"These results may be described as normal," a high official of one of the sector's leading companies pointed out to ACTUALIDAD ECONOMICA [AE], while adding that "the year has generally been good for everyone."

However, other refinery management circles told an AE staff member that "the companies could have benefited even more from the crisis situation if the government had granted them a certain degree of liberty to export products abroad." The same circles pointed out that many Spanish refineries missed the opportunity to "process refined products which could have then been sold in Europe, instead of accepting operations whose profits will wind up in the hands of international middlemen."

This situation--due largely to the administration's fear that the companies would export too much, without leaving adequate reserves in the country--resulted in a loss of competitive ability in some instances, since in the words of a high official of one of the companies affected, "We could have

attempted to corner foreign markets in countries which pay for refined products in dollars, with the resulting flow of foreign exchange that could have entered the country."

A Beneficial Strike

Private operators in the sector criticize the administration's behavior and action at the time, requiring the supply of petroleum--the government is paying for it at prices set prior to the crisis and refiners have been forced to trust the promise of a retroactive readjustment--when the international supply situation was very shaky. "In January of this year," one operator told AE, "CAMPESA [Leasing Company of the Petroleum Monopoly, Inc.] had fuel reserves for only 20 days; refineries were complying with the 60-day margin and despite this it gave no adequate guarantee that we would be able to sell the refined petroleum in our storage tanks."

Relations between CAMPESA and private refineries reached high tension levels, especially in mid-January when CAMPESA made the statement that "nationalization of all refineries would be the best means" of finding a solution to the reluctance of some refiners who were opposed to selling their products without due guarantees of being paid at actual prices.

The only company which found that it had indirectly benefited more from the crisis was Explosivos Rio Tinto [ERT]. In the opinion of sources consulted by AE, the profit and loss statement of ERT's refinery showed that it had benefited very much "from the labor strike, which it used to justify for one month the absence of sales of refined products to CAMPESA, products which were subsequently supplied to the monopoly at much higher prices, coinciding with the most serious time of the supply crisis."

Industry-Finance Ministry Agreement

Contacts in progress for a month between representatives of ENPETROL and oil companies under the authority of the Ministry of Finance--PETROLIBER in particular--have led to the outline of a mutual cooperation plan--still under analysis--to solve the problems of meeting demand. PETROLIBER chairman Jaime Fonrodona stated during the general assembly of 21 June that "such cooperation would be very positive," emphasizing that "without the companies giving up their decision-making status and ability in any way, they will tackle various common problems--supply, fleet operations, technical and economic optimization--seeking satisfactory solutions for both sides."

11915

CSO: 3110

ARMY ACQUIRES NEW HELICOPTERS FOR MOBILE FORCES

Madrid BLANCO Y NEGRO in Spanish 11-17 Jul 79 pp 6-9

[Article by Alfonso de Carlos]

[Text] On 15 June, the Council of Ministers approved the purchase agreement for 60 new helicopters for the ground army. Our correspondent in military affairs, Alfonso de Carlos, already following up this important news for many months, which will have beneficial effects for the Spanish ground army's maneuverability once the final contract is signed and made public, has provided us with this report on these German-made helicopters and their weaponry.

Ground Army Airborne Forces (FAMET) especially needed a modern helicopter with antitank features, therefore a commission was appointed to study the various models available worldwide.

Bell's excellent "Huey-Cobra" AH-1G and Hughes' "Defender" 500D, both American, were eliminated at the outset, leaving in the competition the Italian Augusta 109 "Irundero," which was also rejected, the French SA.342 single-turbine "Gazelle," the most economical of all, and the FRG's twin-turbine BO-105CB, which was finally the one selected.

The first nine BO-105Cs will arrive in Spain in September 1979, in an unarmed light observation helicopter version, purchased used (1,500 hours each) from the German ground army and which will be painted with our colors, then to be sent to FAMET's Colmenar Viejo base (Madrid) as training helicopters for instructional purposes. The life of a light helicopter is about 20 years and our small Bell OH-13s have not been manufactured for several years; thus the problem of obtaining spare parts already exists and as a result, the need to withdraw them from service is even more urgent. The German helicopters will therefore be used to replace these American models.

The other transaction which has just been signed, approved by the Council of Ministers, is the purchase agreement for 60 new BO-105CB helicopters, a more modern version than the previous models, to be purchased directly from the German manufacturer MBB [Messerschmitt-Boelkow-Blohm] for more than 6 billion pesetas, not including weaponry, which is covered under another transaction. These twin-turbine helicopters will be delivered to the ground army between January 1980 and October 1982 and will come equipped for three different missions: 14 for light observation, HRs (reconnaissance helicopters); 18 armed with guns, HRAs (armed reconnaissance helicopters); and 28 in an antitank version with missiles, HAs (antitank helicopters).

Joint Manufacturing Partners

The light reconnaissance BO-105CB helicopter with antitank capacity, which Spain will receive, is a military version of the civilian model of this twin-turbine craft, but very well equipped with radios and navigational systems. Of course, the helicopters come with spare parts and ground maintenance equipment and German technical assistance is also guaranteed. The agreement also includes specific provisions for joint partnership, thus the Spanish aeronautics firm CASA will manufacture a considerable percentage of structural components for FAMET's BO-105CB, as well as final assembly of the helicopters.

The contract also provides for training of FAMET pilots in flying this helicopter (simulation) and training (simulation) of BO-105 mechanics. A number of Spanish helicopter pilots and skilled maintenance mechanics have been and are being trained by the FRG Army as instructors in the use of this helicopter and will subsequently begin to train some of our helicopter pilots on the BO-105 at FAMET's Colmenar Viejo base.

The German twin-turbine BO-105C helicopter made by MBB is not new in Spain, since the Civil Guard already has six units, the first two of which were received in January 1973 and the last, which was the more modern BO-105CB version, in January 1978. There are also two of this company's helicopters in civilian use in Spain for transporting executives: in the Canary Islands (BO-105C) and Barcelona (BO-105CB), equipped with two extra triple seats.

The light twin-engine BO-105CB helicopter, which will only carry a pilot and copilot (a gunner who will fire the missiles, operating the respective sight) as its crew, has dual pilot controls and has been designed to carry out a variety of missions, especially observation, armed reconnaissance and anti-tank attack and defense; it is capable of operating from areas without preparations, both day and night.

The helicopter is powered by two Allison 250-C20B continuous-combustion turbines with maximum power of 420 HP [horsepower] (which can use automobile fuels if necessary), giving it a maximum speed of 270 km/hour or maximum cruising speed of 245 km/hour and a maximum climbing speed of 9 meters per second. This helicopter's maximum operating altitude is 5,180 meters; its distance range is 575 km fully loaded and fuel time is 3.5 hours with the same load.

One of the great advantages of the BO-105 is its rigid rotor, with a titanium head, whose simplicity of maintenance is not shared by other helicopters. Its position for low-altitude cruising (close to the ground) increases the tactical advantages of surprise and safety factors, since it can continue to fly with a stalled engine.

The four blades of plastic material, reinforced with highly flexible fiberglass, enable the BO-105 to fly vibration-free, thus it is hardly equaled by any other type of helicopter. These blades are so excellent that they have a life of about 800 hours and if a missile strikes them, the helicopter could keep on flying.

Full Range of Weapons

The 18 armed reconnaissance helicopters are equipped with a RH-202 20-mm gun made by Rheinmetall (Germany), which is covered under another contract. In this case as well, joint manufacture has been established between Rheinmetall and Empresa Nacional Santa Barbara, which will manufacture 50 guns in Spain for the present, 18 of which will be used for the HRAs.

This gun has a firing speed of 800 to 1,000 shots per minute, its effective range is 2,000 meters and maximum range is 7,000 meters. One of its great advantages is the ability to change ammunition while firing, i.e., a rapid switch from fragmentation to armor-piercing ammunition by means of an automatic system. Thus it is possible to be firing at troops or a group of vehicles and, if it suddenly appears or proves necessary, to also fire armor-piercing shells at armored vehicles or tanks. It should be pointed out that Rheinmetall's 20-mm subcaliber armor-piercing is very superior to Oerlikon's ammunition of the same caliber, since it pierces 1.2 times more than the hard core of the Swiss ammunition.

Among alternative weapon arrangements which can be mounted on the BO-105CB, the most important is the "Hot" antitank missile system, manufactured jointly by the French and Germans and which has a maximum range, while hovering, of 4,000 meters (one-half meter more than its American "Tow" competitor) and approximately 4,500 meters in moving flight at 180 km/hour.

The 23 antitank helicopters to be received by Ground Army Airborne Forces will each have two synchronized-fire gun mounts located on both sides of the helicopter, with capacity for three "Hot" missiles on each side, covered under another contract with the Euromissile company. The probability of impact of this French-German missile on a fixed or moving target between 400 and 4,000 meters away, whether while hovering or in movement at up to speeds of 150 km/hour, is 90 percent; the rest goes without saying.

The most important arms purchase made to date by Spain for antitank combat in the ground army has been signed. These are helicopters which will considerably increase the Spanish army's defensive capacity, since they can neutralize, with extraordinary efficiency, the advances of tank formations and prevent armored enemy forces from using their tanks in assault operations.

FALLDIN REACHING OUT FOR PRIME MINISTERSHIP

Stockholm SVENSKA DAGBLADET in Swedish 6 Aug 79 p 28

[Article by Sophie Petzell]

[Text] "For my part, it goes without saying that both forestry and agriculture should be tended from the ground--poisons should not be sprayed from the air," said Thorbjorn Falldin Sunday in his first major speech prior to the election this fall.

By virtue of his appearance Sunday, Thorbjorn Falldin has indicated he wants to become Sweden's prime minister again.

Through his statement about spraying poisons, Thorjorn Falldin has also indicated that he would personally like to see an end to such spraying as far as rural industry is concerned.

"But I have not yet been able to persuade the party to accept this view," he said at the press conference, which, as usual, was held after the speech near the border of Eringboda in northern Blekinge.

No Municipal Veto

If Thorbjorn Falldin becomes prime minister, he would work to get labor for the forest industry who could clear the forests by hand. That would mean increased employment and end the need to spray insecticides from the air. That would also take care of the demand for a municipal veto, in Falldin's opinion.

He is not opposed to the use of insecticides in connection with agriculture--spraying land to which the public usually does not have access anyway, according to law. However, berry and swamp grounds in the forests are accessible to everybody. Hence, Thorbjorn Falldin only wants to put an end to spraying the forests from the air.

New Three-Party Government

He has not objection to the formation of a new three-party government after the election, providing this government pursues Center policies. "That was true of the former three-party government," said Thorbjorn Falldin at the press conference. "A coalition government, on the other hand, is inconceivable right now.

"I believe the long frontal line in Swedish politics today lies somewhere between the policies of the Center Party and the Social Democrats," he said at the press conference. "For that reason, my speech today was primarily aimed at the major differences between us and the Social Democrats."

This was the fifth year in which the three CUF [Center Party Youth League] districts in Blekinge, northern Kalmar and Kronoberg provinces celebrated the border festival in Eringboda prior to an election. About 3,550 Center Party members from southern Sweden came to the festival to dance in the afternoon, listen to Eric Ost's quartet and to hear Thorbjorn Falldin's speech, delivered near the dance floor in Asjon.

"Social Democrats Have Fallen Short"

The rain started to fall just as Falldin began speaking, emphasizing "that Sweden's welfare is built upon cooperation and agreement. Social Democrats have fallen short of this policy under the nonsocialist government and, instead, have pursued a calculated policy of dissatisfaction," he said. Thorbjorn Falldin stated that Social Democrats and Center Party members managed to reach agreement on many concrete issues under the Liberal Party government.

"Thanks to cooperation on important parliamentary issues, we have been able to make constructive decisions in this country, despite the lack of political leadership," said Falldin, thus very sparingly directing some criticism at the Liberal Party government. He hardly mentioned the Moderates at all in his speech.

The major differences between the Center Party and the Social Democrats primarily concern basic conditions relative to industry, like cost problems, acquisition of capital and the attitude toward small businesses.

"Increase Head Taxes"

"Social Democrats, for example, suffer from the superstition that employer taxes should be the source of financing new public expenditures," said Thorbjorn Falldin. He also stated that instead of increased employer taxes, he prefers higher head taxes. He also demanded that the Social Democrats reject the request for an end to index regulation of taxes and wanted a hearing on the Center Party's proposal on aid to expectant mothers.

He was pleased that Social Democrats had promised not to implement the employee fund system during the next 3-year period and wondered if Olof Palme might promise not to carry out other election promises.

Falldin spoke of a split within the Social Democrat Party: between the hawks, who pursue the acrimonious policy of dissatisfaction, and other party members, who realize that even the policies of a social democratic government must be rather close to the center.

"Social Democratic Party Avoids Politics"

Thorbjorn Falldin assumed that the split within the Social Democratic Party is the reason the party avoids political questions as much as possible in this election campaign and that Olof Palme refuses to engage in the customary duels between the two largest parties.

"I am prepared to challenge Olof Palme," said Falldin after the speech. "I consider myself a candidate for prime minister. Gosta Bohman and Ola Ullsten must defend their own views on this issue.

"Voters would benefit from a pre-election debate on the major, important issues. Will Olof Palme really deprive them of that possibility?"

8952

CSO: 3109

OPINION POLL RESULTS DO NOT BODE WELL FOR PALME

Stockholm SVENSKA DAGBLADET in Swedish 8 Aug 79 p 2

[Editorial]

[Text] There are divided opinions on nuclear energy, even within the parties. On the other hand, voters have no opinion at all about employee funds. This briefly summarizes the findings of a poll taken by the Swedish Institute for Public Opinion Research (SIFO) among approximately 2,000 registered voters. The poll, supported by the parties in Parliament except the Liberal Party, is being publicized today in SVENSKA DAGBLADET, GÖTEBORGSPOSTEN and the Social Democratic A-PRESS Newspapers.

Since voters had the opportunity to take a position on many different questions concerning nuclear energy and employee funds, we have--partly in contrast with earlier polls--a more diversified and composite picture of voter opinion on the two issues.

The conclusion that should be drawn from this poll is that neither the issue of nuclear energy nor that of employee funds lend themselves to a dull forum like the popular vote, let alone give advice as is the case in Sweden.

Politicians in this country cannot relinquish their responsibility for Sweden's energy supply, regardless of the outcome of the popular vote.

However, as a result of Olof Palme's famous and hasty wavering, the popular vote on the future of nuclear energy will now become a reality, 30 March 1980.

On the other hand, it may take some time before the Social Democrats suggest a popular vote on the party's employee funds proposal.

Considering the divided opinion on the nuclear energy issue, voter opinion is that much more unambiguous when it comes to employee funds. As we said earlier, voters have no opinion at all about employee funds.

The indecision is great, much greater than that concerning nuclear energy. While barely 20 percent of the voters have no definite opinion with respect

to nuclear energy, almost half of them have no definite opinion on employee funds.

That already bodes ill for Olof Palme, who explained that employee funds are not only necessary, but also the big issue in 1980. Here stand the voters, not least Social Democratic voters, on the threshold of the decade, not knowing which way to go!

In spite of the fact that voters have had the chance to take a position on no less than five different "fund proposals," not one of them appealed to voters in general. None of the alternatives got more than a 10 percent response to the answer "very good." And only two percent of all the voters responded with "very good" to the alternative which most resembled the LO-Social Democratic Party (SAP) proposal.

On the other hand, all of 50 percent felt the proposal to be "very or quite badly" constructed. Over 40 percent were undecided.

But what about the members of LO? They probably accepted the LO-SAP alternative, since a "union demand" ultimately made it necessary? Indeed, 12 percent of the LO members actually thought this proposal to be "very or quite good"--while 88 percent were undecided or did not like the jointly designed LO-SAP proposal.

Twelve percent may seem like a modest figure. But twice as many LO members supported the idea of employee funds as did TCO [Swedish Central Organization of Salaried Employees] members, of which only six percent thought the LO-SAP proposal to be good!

With respect to nuclear energy, the alternatives which SIFO presented to those interviewed had been formulated prior to the Harrisburg accident and Palme's political blunder. However, those who responded knew about the later developments.

The poll shows that the attitude toward nuclear energy largely follows party preferences. Up to 60 to 70 percent of the Moderates, Liberals and Social Democrats favor "a careful, safe development," or a more rapid expansion if the matter of safety can be resolved. Approximately one in five Moderates and Social Democrats are in favor of doing away with nuclear energy, while the comparable figure for Liberals is one in four.

Within the Center Party and the Left-Wing Communist Party, a majority clearly wants an end to nuclear energy, but it is still interesting that approximately one in five Center Party or Left-Wing Communist Party members advocate a careful development of nuclear energy. This shows to what extent the question of nuclear energy cuts straight across party lines.

This SIFO analysis will not benefit Olof Palme's election campaign. What did he gain from his wavering? Indeed, nothing.

A comparison with the SIFO analysis, for example, shows that the opinion among Social Democrats was not positively influenced by Olof Palme's pirouettes--and his attempt to represent two points of view at the same time.

The end result will surely be that those who previously believed Palme on the issue of nuclear energy will now distrust the party leader, while the party opposition to nuclear energy cannot trust Palmer either on the same issue.

That is what happens to someone who holds several points of view on the same issue at the same time!

8952

CSO: 3109

PALME MAY STEP DOWN IF SOCIAL DEMOCRATS LOSE ELECTION

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 14 Aug 79 p 2

[Article by "W. A.": "Speculations regarding Palme's Withdrawal as Party Head; Secretary General Causes Sweden's Social Democrats Embarrassment"]

[Text] Stockholm, 13 August--If the Swedish Social Democrats lose another election, they will also lose their chairman, Mr Palme. This has been reported by several Norwegian newspapers, quoting Party Secretary Andersson as having said that Palme will withdraw as head of the party if the Social Democrats do not succeed in winning the Riksdag election which is to take place in mid-September. In speaking to the Swedish newspaper DAGENS NYHETER on Monday, it is true, Andersson qualified that statement when he predicted a clear-cut victory for his party in the election unless a "great calamity" intervened. He also hinted precisely that to the Norwegian journalists. In contrast, his affirmative answer to a question as to whether Palme would withdraw if his party lost the election had allegedly been "almost a joke."

Nevertheless, the party secretary, as one of the party chairman's closest confidants, had caused the remainder of the circle of Social Democratic leaders embarrassment. The fact that Andersson at least was not willing to exclude the possibility of another victory by the conservative parties, but instead hinted at possible consequences of such an outcome within his own party's ranks, is regarded as not very opportune against the background of the present election campaign. Thus, the Social Democrats are also being reminded by their opponents that they have had to endure more losses of votes at each successive election under the leadership of Palme, which has lasted almost 10 years. Although they were able to obtain 50.1 percent of the votes in 1968 under Tage Erlander, who was the prime minister at that time, that percentage fell off to 42.7 during the next three ballotings, with the result that in 1976 the Social Democrats had to relinquish control of the government to the conservatives for the first time in more than 4 decades.

Andersson's conversation with a group of Norwegian journalists which dominated the headlines on Monday took place in Copenhagen at a so-called Scandinavian worker congress in which leading Social Democrats from all the Scandinavian countries participated. Unquestionable it is Palme who spoke in the sharpest

tones, strongly suggestive of a preoccupation with class warfare. He accused the conservative forces of western Europe in general, and Sweden in particular, of "polluting the environment" and of contributing to a concentration of economic power which threatened "the freedom of human beings." They were trying to blame the Arabs for the present economic difficulties in their countries, although it had been obvious for a very long time that it was "capitalism," and "capitalism" alone, which had failed to solve economic problems. From all this, the head of the Social Democratic Party of Sweden concluded that "the workers' movement must gain control over economic development."

To be sure, Palme does not find it easy to keep the trade unions in his own country up to the mark. For example, a group of members of the LO (which is the central Swedish trade-union organization), the group made up of employees of the insurance industry, has decided, for the first time, not to give the Social Democrats any financial assistance in elections any longer. Although this is only a small group whose decision is of no special importance, its action nevertheless leads one to conclude that initial scissions are occurring in the workers' movement consisting of Social Democrats and trade unions which is continually being evoked by Palme. Complaints last year by the strong metal-workers' group about the alleged "master dominance" within the Social Democratic Party also hinted at that.

Furthermore, Nilsson, the chairman of the LO, had caused annoyance in party circles only a few days before with the remark that if the Social Democrats could not make their way back into control of the government by the exercise of their own faculties, consideration should be given to entering into a coalition with the farmer-based Center. A little bit later, as a matter of fact, Nilsson backed off from his suggestion after the chairman of the Center Party, Falldin, in alliance with the Liberals and the conservatives, had made it known that, no matter how the election came out, a governing coalition with the Social Democrats was not to be thought of as far as the conservative parties were concerned.

9258
CSO: 3103

SOCIAL DEMOCRATIC ELECTION PLATFORM DISCUSSED

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 17 Aug 79 p 3

[Commentary by Werner Adam]

[Text] Stockholm, 16 August--The communists have inscribed on their banner the pledge to develop Sweden into a castle from which to defy the robber knights of capitalism. However, the Social Democrats are striving to achieve the same thing, except that their chairman, Mr Palme, since he got left behind on the occasion of the last election, now is trying to give that intention a presumed more attractive tinge. Instead of coming to the people with socialism again a few weeks before the next Riksdag election, he is promising them the conversion of Sweden into a single, big community center this time. In doing this, he is not disturbed by the fact that he is claiming as his own an idea which, under entirely different circumstances, because it was done as early as 1928, had been invented by his predecessor, Per Albin Hansson. The idea of a community center has remained a "fine one" for Palme: by no means aiming at unpleasant egalitarianism, but reflecting a "radical vision of the future" instead; not having become at all anachronistic, but aimed at social solidarity and against middle-class self-centeredness.

The future? A look backward into the past is urgently needed, since Tage Erlander--Hansson's successor, and Palme's predecessor--was accustomed to lay out the course of the country's economic success jointly with the luminaries of private industry. At that time, what the financial patriarch Marcus Wallenberg once had urged upon politicians and economists still seemed to have unaltered validity: namely, that the former could distribute the welfare cake as long as they did not try to dictate to the latter how it was to be baked. On the other hand, Erlander's hereditary successor offered the criticism that since the country was controlled by the conservatives the Swedish employers' federation had established itself as a "super-government." The conservative forces, "well-behaved and prudent," for the time being, after World War II, were again exhibiting unparalleled aggressiveness. And anybody who may not quite believe that that exists in Sweden finds himself being shown nasty examples of it outside of Sweden by Palme: Strauss, the West German candidate for chancellor, and Prime Minister Thatcher, "who is

trying to turn back the clock." How is that? Mrs Thatcher is setting free the forces of the market, shrinking the public sector, increasing the income gaps, intensifying the contradictions within society and disassembling "the entire welfare structure," as Palme reasons.

Naturally, the same threat exists in Sweden if the majority of the electorate recklessly decides in favor of the conservatives again, and if, indeed, that conglomerate conservative party should gain influence again which calls for tax reductions in all seriousness. In fact, even the Social Democrats cannot deny that Sweden has assumed a key position in western Europe in two respects: as both the country with the heaviest tax burden and the most expensive governmental machinery. To this, indeed, Palme objects that it is not proper always to speak of taxes as a burden. Instead, such payments are "an expression of our striving for security and solidarity." Pursuing this train of thought with disarming logic, the party chief then also admits that a strong community center can only be obtained by means of even higher tax receipts. But, according to the views of the Social Democrats, that even higher tax should be paid specifically by the industrialists who are so strongly rebuked by them and who are heading for a "year of excessive profits," and, indeed, that this should be accomplished through the introduction of a new tax--a production-factor tax.

There definitely "has been no more tragic decision" during the period when the conservative three-party government has been in power "than the decision to reduce the assessments for employers," laments the Social Democratic economic expert Peterson in submitting the platform of his party. That step cost the state 8 billion kronor, "and we cannot even say that a single new job resulted from it," continues this expert, and although the unemployment rate stands at only 2 percent many industrial plants are seeking trained personnel--and, according to their own statements, cannot find them because expensive governmental vocational rehabilitation programs have only intensified the need for government employment. In fact, Peterson rejects the planned economy according to the Eastern pattern. However, what he demands, in the name of his party, is control over investments and the establishment of new enterprises.

As for the rest, nothing else in the election manifesto is complicated. Point one: a foreign policy of neutrality in the service of peace and international solidarity; point two: work for everybody; point three: economic justice; point four: an atmosphere of health and well-being; point five: reciprocal welfare care. And that, Palme notes, calls for an increase in family allowances and housing subsidies, as well as expansion of the insuring of parents and of day care centers.

In contrast with the community center which is being sought, the day care centers are only intended for the children of gainfully-employed parents, or chiefly for such children. In Sweden, the number being cared for in this way has now become extremely high, and it has brought up problems over whose consequences not only the psychotherapists have been racking their brains for a long time. In addition to this, there is the loneliness of older people,

which is continually complained of, and not without cause, to say nothing at all about the everlasting subject of "alcohol" in Sweden, which has become a sort of monomania. And is all this to be remedied by a community center policy with sociability decreed by the government?

It is hard to credit a man like Olov Palme with such a fund of superstitious. There may be other reasons why he nevertheless condescends to wear out platitudes which no longer even cross the lips of the Swedish trade union leaders. One such reason could be the fact that his party, for the first time in more than four decades, has to conduct its election campaign in the role of an opposition party, and a second reason could be that its chairman personally is fighting for his political survival. And yet, why a community center when hardly anybody in this country has any greater desire than to indulge in individual freedom of movement in the building where he spends his free time? No doubt Palme, the harbinger of salvation, also asks riddles as an election campaigner.

9258

CS0: 3103

LIBERALS, SOCIAL DEMOCRATS CLASH OVER HIGH RENT LEVELS

Stockholm SVENSKA DAGBLADET in Swedish 10 Aug 79 p 4

[Article by Ann-Marie Asheden]

[Text] "Rents are skyrocketing and we cannot accept the enormous rent increases at a time when the standard of living is decreasing," said Birgitta Dahl (Social Democrat).

According to Birgitta Dahl, these high rent levels are due to the government's failure to regulate prices.

Housing Minister Birgit Friggebo is not unhappy about the rent increases. She is of the opinion that rents have kept pace with inflation and believes that the trend will continue.

Birgitta Dahl is very critical of the Liberal Party government's handling of the housing issue.

Should Have Stepped in Earlier

"The government should have stepped in prior to fall 1978 in order to insure oil deliveries. We warned them, but they did not listen and began to tamper with the reserves. Now they will have to supplement with high-priced oil and that will adversely affect rents.

The housing aid program has been severely hurt by inflation since there has been no adjustment in the limits. Injustice has been done as far as housing is concerned."

During Birgit Friggebo's term as housing minister, two important things have happened that affect tenants. According to Birgit Friggebo these are:

The new leasing law has deprived the Tenant Association of its monopoly to negotiate. Now individual groups of tenants can negotiate with landlords independently.

A 2-year maintenance loan of one billion kroner will prevent a rent increase of 6 kroner per square meter in 1979 and 1980. The loan is supposed to finance needed maintenance.

Stop-Gap Measure

Birgit Friggebo: "The loan was a stop-gap measure to solve an acute problem. Without the loan, rents would have gone up considerably. It is true that the loan conceals actual costs, but that which is concealed belongs to the past. That portion of rent which should have been set aside for maintenance was not included in previous years' rent negotiations. Hence, rents have been too low and maintenance has been deferred."

Birgitta Dahl has a different opinion of the loan:

"The loan is no solution. It is like throwing a morsel into the mouth of a wild animal, a completely shocking and irresponsible move. The Liberal Party has only tried to keep everything afloat until the election. Such action can only be engaged in by a party that is absolutely sure of losing the election and will thus avoid straightening out the mess."

When the loan expires at the end of 1980, we can expect to be threatened by substantial rent increases. What will Birgit Friggebo and Birgitta Dahl do then?

No Extension

Birgit Friggebo: "The way we understand it now, the loan will not be extended. The present Maintenance Fund Committee will have to provide solutions for the future."

Birgitta Dahl: "Solutions to the problem cannot be pushed ahead, which the present government is doing," she said and continued: "We believe a complete reform of the entire housing finance system is needed. Short term, we could conceive of supplementary loans to publicly mortgaged homes in order to cut the cost of new construction."

We also need effective price controls. The housing market has not functioned in a socially responsible manner. Under the nonsocialist government, things have happened to building costs that cannot be rationally explained.

The housing aid program must be revised. Above all, we must build more multiple dwellings. And we must get legal advice from municipalities so that housing can be better distributed among different landlords."

Balance

"But the most important thing is to maintain a balance between the cost of housing and people's income. When people enjoy a comfortable standard of living, they can afford to pay rent. Therefore, sound general economic policies and a just distribution policy are of utmost importance," concluded Birgitta Dahl.

Birgit Friggebo would rather discuss democracy in housing than rent levels. She is of the opinion that more democracy in housing (like tenant councils, for example, which exert influence on management and which we have in Denmark) will lead to a growing understanding of rent levels. If tenants know something about interest, amortization, oil, electricity, maintenance, trash collection costs etc. and where the rent money goes, he/she will more readily accept it.

8952

CSO: 3109

LO CHIEF PLACES SAP IN AWKWARD POSITION

Stockholm SVENSKA DAGBLADET in Swedish 9 Aug 79 p 2

[Editorial: "Gunnar Nilsson Steps In]

[Text] Oops--Gunnar Nilsson did not manage to avoid spoiling it for the Social Democrats before the election! In an interview with VECKANS AFFARER, Chairman Nilsson actually managed to get entangled in Chairman Palme's reasoning.

Olof Palme has managed to split the nonsocialists. With his elitist point of view he wants to force the nonsocialist parties to choose the only debator whom Palme considers worthy, himself! Nilsson, instead, considers the battle lost to the extent that he is beginning to speculate about a suitable coalition partner!

Consequently, one illusion becomes worse than the other. And the whole situation did not become any better when Nilsson, in a statement to TT [newspaper press agency] last Wednesday, wanted to correct what he had said to VECKANS AFFARER 2 weeks ago.

Gunnar Nilsson's statement in VECKANS AFFARER 2 weeks ago reads that "the election result will be something else but a Social Democratic victory."

Of course, Nilsson did not say what would happen in the event of a Social Democratic majority. Neither did he say anything about a Palmer-Werner majority. In that case, Social Democrats would form a government with the Communists as if nothing were the matter with that relationship, fundamentally.

Nilsson is only concerned about a nonsocialist majority. But--he says--"we union members are realists and could conceive of some kind of coalition in which the Social Democrats are included."

Hence, Nilsson is prepared to ignore a nonsocialist majority supported by the voters in the election. A coalition government would then be a convenient solution and the betrayal of the voters could be discussed later!

With which party should the Social Democrats govern? The Center Party, according to Nilsson. Other combinations would be troublesome for the union. The Liberal Party is out of the question!

Chairman Nilsson should have considered his statement would be a hot potato. There are Social Democrats who see the Liberal Party as the best coalition possibility. To them, it would be totally impossible to cooperate with the Center Party under Falldin's leadership. As far as the union is concerned, the Liberal Party--no matter how much the party humbled itself and in spite of the labor market ministers' contact possibilities--is a red flag.

Evidently, Nilsson's statement hit the Social Democratic Party leadership like a bomb. The question remains whether telephone lines did not become overheated last Wednesday as a result of conversations between party headquarters in Sveavag and the LO stronghold near Norra Bantorg!

In any case, Nilsson came to a new understanding in the course of Wednesday. After Falldin's speech last Sunday, the Center Party seems to have changed completely from what it was when Nilsson was interviewed 2 weeks ago. This is what Wednesday's communique says: "It (the speech) must be interpreted as a sign that the old farmer alliances, which were formerly connected with the party, have all departed due to the party's reactionary policies which thwart the interest of salaried persons." The Center Party "has drawn a less defined line of demarcation as far as the unions are concerned."

It would seem as if Falldin had accomplished all he thought he would in one speech, which, according to many judges, contained little that was new!

However, the pell-mell politics of the Social Democratic Party are unmistakable. One minute, forces other than the old farmers have taken over the Center Party; the next minute, however, the old farmers have the power, again to the advantage of salaried persons.

Palme still has to explain whether he eventually plans to negotiate with a nonsocialist party leader as a Social Democratic prime ministerial candidate, as a contemplated prime minister on the basis of a Social Democratic-Left-Wing Communist Party majority or as a coalition politician.

Things are much easier for Gunnar Nilsson. He could say that the political wavering, in which Palme excels, could reasonably also be reserved for the movement's other branch, LO.

One should be as deserving as the other!

8952

CSO: 3109

KOCKUMS LIKELY TO GET LARGE INDIAN SUBMARINE ORDER

Stockholm SVENSKA DAGBLADET in Swedish 8 Aug 79 p 17

[Text] Kockums in Malmo is likely to win the international competition for delivery of a new submarine to India.

According to sources within India's Defense Department, an Indian committee of experts and Indian navy staff in New Dehli are recommending the Kockums submarine.

First of all, the order concerns delivery of a finished submarine and later, delivery of parts for three other submarines, which will be assembled in India. Nothing has leaked out about the price, but it is estimated that the order is worth at least 1 billion kronor.

Fall at the Earliest

Kockums in Malmo does not want to comment on the possibility it will get the order.

"We do not know yet how our bid compared with the others and we will not know for sure until some time this fall at the earliest," said Oalfur igurdsson, assistant director at Kockums.

Sold Out

A couple of West German shipyards, as well as yards in Italy, France and the Netherlands also submitted bids in the beginning. But most of the competitors have already sold out.

India now has more than eight Soviet-built submarines in the foxtrot class with a displacement of 2,400 tons and a crew of 70. India needs to substantially increase its submarine fleet in the next decade.

West German Competitor

In the last phase, Kockums' chief competitor has been Howaldswerke Deutsche Werft in West Germany. Even though it looks like Kockums will get the order, there are reports of divided opinions within India's Defense Department. Sweden has never exported submarines before and has not developed a submarine industry in any other country. West Germany, on the other hand, has delivered more than 80 submarines to other countries since the war.

Less Expensive

According to available information, the Swedish submarine is less expensive than West Germany's and more automated. Its displacement is approximately 1,500 tons and the boat is designed for a crew of 30 to 35.

Political considerations are believed to have affected the decision. Indians have had bad experiences with deliveries from the NATO countries. Furthermore, India has always been somewhat partial to neutral countries with respect to weapons' orders.

8952

CSO: 3109

END

END OF

FICHE

DATE FILMED

17 Sept 79

~~FL~~ WB